



Wednesday 15 April 1998 45p (IR50p) No 3,585

By Anthony Bevins
Political Editor

Having said that, "The Government are committed to the Post Office remaining in the public sector", the closest Mrs Beckett came to exposing the

While yesterday's reply from Mrs Beckett did not specify a 49 per cent sale of shares, Department of Trade and Indus-

It added: "The Post Office would particularly welcome the possibility of employees becoming financial stakeholders in the company. This could be the key to the culture change in employee relations which all the businesses – and most particularly Royal Mail – have been striving to attain."

A high-contrast, black and white photograph of a person's face, heavily shadowed and distorted, appearing as if seen through a circular lens or mirror. The image is grainy and has a stark, almost abstract quality. The face is the central focus, with the eyes and mouth visible but obscured by deep shadows. The circular frame suggests a reflection or a view through a porthole. The background is dark and indistinct.

Dr Tom Pringle in a see-through plastic 'pregnancy suit' as part of a show on the chemistry of love and lust at the Edinburgh Science Festival Photograph: David Cheskin

Exclusive



By Linus Gregoriadis

"I'm very concerned that the drug's prohibition is courting a whole stack of appalling problems. I'm not in favour of heroin abuse, but my own feeling is

Mr Green, aged 38, said: "My own very strong feeling is that the control of supply should be taken out of the hands of criminals and taken over by a state monopoly which wasn't driven by the desire for profit. The sale would be sur-

Mr Green's comments have been sparked by what he sees as the "appalling effect" of crime on the community. He said: "I have seen the effect that crime can have on people. In my own community, a whole congrega-

"There are many reasons for crime but much of it is caused by people supplying their drug habit. I think I am aware of kids being supplied in the vicinity and they are in the hands of unscrupulous people," he said. "From a theological perspective, this comes under the heading: 'Not everything which is sinful should also be illegal.'"

Drugs tsar's warning, p5
Leading article, p18

By Matthew Brace

The magazine lists him as corporate America's biggest earner. The biggest wad of money came from what is called long-term compensation, which

Trailing in third place came Richard Scrusby, chief executive of Healthsouth, of Birmingham, Alabama, with \$106.790.000 (£65.203.322).

Mr Leschley is currently sitting on a £66m package made up of share options and annual salary. But the salaries of other top executives pale by comparison. Sir Desmond Pitcher, chairman of North West Water, received £310,000 last year, while the least remunerated water boss got £140,000.

High street banks such as NatWest, Barclays, Halifax, and the Royal Bank of Scotland could be merger or takeover

candidates and consolidation in the sector could see some of Britain's best-known banking names disappear over the next few years. The American deals will also increase pressure for cross-border deals to create pan-European banks

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Today's news

Hope for slimmers

A NEW type of anti-obesity pill that compels those who take it to stick to a low-fat diet could be available in Britain later this year. **Page 3**

Paying for floods

HUNDREDS of thousands of homes in England and Wales built over the last 25 years in areas which are at an "appreciable risk" of flooding face higher insurance premiums in the future. **Page 4**

Vote for strike

TEACHERS voted yesterday for a week of industrial action and strikes in their campaign for a four-day teaching week. **Page 6**

INSIDE GUIDE: WEATHER, P2 ● CROSSWORDS, P28 AND EYE P10 ● TODAY'S TELEVISION, EYE P12 ● FULL CONTENTS, P2

هكذا من الأصل

UK lifeline for Iraqi girl with leukaemia

By Fran Abrams
Political Correspondent

A LABOUR MP is expected to fly out of Iraq today with a four-year-old girl who is to receive leukaemia treatment in the UK. George Galloway, MP for Glasgow Kelvin, met Mariam Hamza last month when he visited Iraq to see the plight of sick children. When he returned he asked the Foreign Secretary to help. Mr Cook asked the British mission to the United Nations to pass details of the girl's plight to its sanctions committee, and the committee agreed to let her leave.

His move has not, however, attracted universal approval - with Iraqi opposition groups and a Labour MP dismissing it as a stunt.

Mr Galloway, MP for Glasgow Kelvin, met Mariam Hamza last month when he visited Iraq to see the plight of sick children. When he returned he asked the Foreign Secretary to help. Mr Cook asked the British mission to the United Nations to pass details of the girl's plight to its sanctions committee, and the committee agreed to let her leave.

Although this is the first time such measures have been taken to bring an Iraqi child to Britain, a dozen such children went to Austria for treatment three years ago.

Mr Galloway said yesterday that Mariam would die if she was left in Iraq.

"We hope to highlight the plight of thousands of children who are dying because UN sanctions will not allow medicines to be sent to Iraq," he said.

"I'm very grateful indeed to Robin Cook and the British government for their timely action in getting the UN sanctions committee to give us this per-

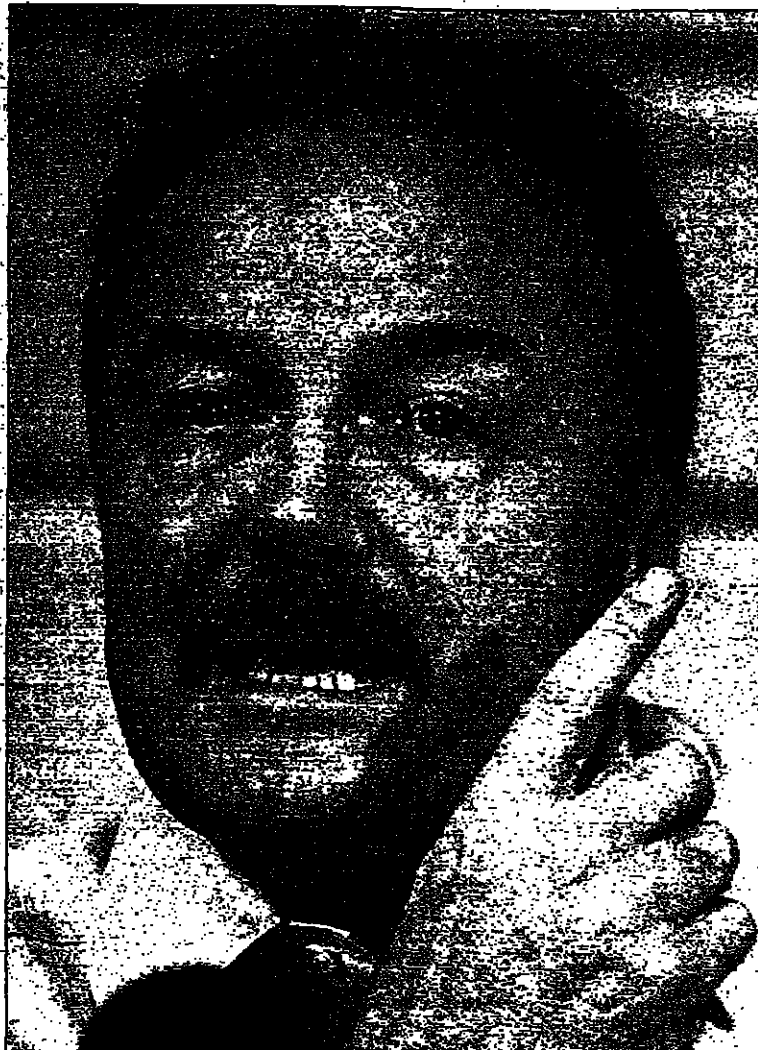
mission. Without it, the aeroplane would be shot down and if we travelled by road it would be a 12-hour journey which this child is simply too sick to make. It means that we can get back to Britain and the life-saving treatment Mariam needs all the quicker."

The MP and the child are expected to fly from Iraq to Jordan, today, along with her grandmother, and on to London tomorrow. They will then go on to Glasgow, where Mariam will be treated at the Royal Hospital for Sick Children in Yorkhill. The cost, between £7,000 and £50,000, will be met by a fund set up by the MP and backed by Arab businessmen and royalty.

Mr Galloway has called for the lifting of sanctions against Iraq, blaming them for the dire situation in the country's hospitals. However, the Iraqi opposition blames Saddam himself, and points out that UN sanctions do not prevent him from importing the food and medicine that is needed.

Ain Chywd, Labour MP for Cynon Valley and a long-term campaigner against Saddam, said it was unfair to give the child special treatment. "Why one child? This happens to be a very pretty, very winsome-looking child. I think it's a huge propaganda coup."

Nabeel Mesawi, head of political liaison for the Iraqi National Congress, a group which opposes Saddam Hussein, said that the dictator, and not the sanctions, were at the root of the problem. "The only way to resolve this issue once and for all is by helping the Iraqi people to get rid of this regime," he said.



Rescue: MP George Galloway (left) who will accompany Mariam Hamza, 4, on her flight from Iraq to Britain for leukaemia treatment Photograph: PA



THE INDEPENDENT'S Iraq Appeal has raised nearly £83,000 to help treat more than 2,000 children suffering from leukaemia believed by many to be caused by weapons used during the Gulf War.

Will Day, National Director of Care International UK, one of the two charities working with The Independent said he was delighted at the generosity of readers.

"As described so dramatically in Robert Fisk's article, the hospitals in Iraq have very limited resources, so the more money is raised the more supplies we can send to ease the suffering of the young children."

"The first step is to work with the Ministry of Health in Baghdad and the hospitals to ensure that the most essential medicines and anti-cancer treatments are delivered."

Please send cheques, made out to The Independent Iraq Appeal, to: PO Box No 6870, 1 Canada Square, London E14 5BT.

Dying child brings out tender side of tough MP

IN THE NEWS

GEORGE GALLOWAY

WHEN an MP flies off to foreign parts to rescue a dying child, cynics can be forgiven for wondering if he has an ulterior motive - particularly on a Bank Holiday when the newspapers need a story, writes Fran Abrams.

Even the most hardened sceptic would never say such a thing about George Galloway, though. For one thing the member for Glasgow Kelvin, who was yesterday preparing to bring four-year-old Mariam Hamza back from Iraq for leukaemia treatment, has never been one to court good publicity. For another, he has a tendency to sue.

Mr Galloway was probably not exaggerating when, at the age of 33, he boasted that he had already made more enemies than most people had at 63. Certainly, his chances of a Cabinet job were slim even before he told

a student audience in October 1994: "I don't give a fuck what Tony Blair thinks."

If that were not enough to bar the colourful MP from the corridors of power, he is also loathed by the Prime Minister's press secretary. As long ago as 1992 Alastair Campbell described Mr Galloway in a *Sunday Mirror* column as "repulsive", and opined that he was glad the MP would not speak to him. A few months later Mr Campbell classified Mr Galloway's political style as "all widdle and widdle".

Mind you, the MP was suing the

Mirror at the time for accusing him of using Parliamentary privilege to make untrue allegations. He won the case along with damages reported to be worth around £150,000.

The 44-year-old MP has long been known for his support of Arab causes. As a Labour Party organiser in Dundee between 1977 and 1983, he twinned the city with the West Bank town of Nablus and flew the PLO flag over the city chambers.

More recently, he was roasted by Labour whips in 1994 after a trip to Iraq during which he was said to have told Saddam Hussein: "Allow me to salute your courage, power and indefatigability." The MP, who has criticised President Saddam on numerous occasions, said he was saluting not the dictator but "the Iraqi people who have suffered so much". The incident

was followed by a reselection battle, which he won - his third in 10 years.

Among many others, he has also upset Denis Healey, who tried to have him removed from the Labour candidates' list in 1981 for writing a pro-Communist article, and Michael Foot, who rebuked him in 1982 for advocating the admission of Communists to the Labour Party. The Tory MP Barry Porter, who died in 1996, once tried to hit him.

Mr Galloway's private life has also been in the headlines on a few occasions. Just after he won his seat - then named Glasgow Hillhead - from Roy Jenkins in 1987, he told a press conference that he had sex with more than one woman during a conference in Greece two years earlier.

As general secretary of the War on Want charity he had "spent lots of time

with people in Greece, many of whom were women, some of whom were known carnally to me", he said.

More recently, he told the Scottish *Daily Record* that he intended to marry for a second time, to a Palestinian biology student named Amineh, whom he described as "the voice of absolute calm in my life".

He also faced allegations that he had misused his position at War on Want by running up a bill of £21,000 in travel and entertainment expenses. He repaid £1,720 but was cleared by an independent auditor's report.

Even this week's trip has not won universal approval. Some fellow MPs and the Iraqi opposition have condemned it, saying there are thousands of other sick children who cannot expect such help. It seems unlikely that Mr Galloway will be unduly worried.

New diet pill to embarrass slimmers into losing weight

By Jeremy Laurence
Health Editor

A NEW TYPE of anti-obesity pill that compels those who take it to stick to a low-fat diet could be available in Britain later this year.

Xenical, which blocks absorption of fat in the gut so that it is excreted instead of ending up on the hips and thighs, has a huge potential market. It is currently wending its way through the labyrinthine licensing procedures in Europe and the United States.

If too much fat is eaten, the amount remaining in the gut results in diarrhoea and the embarrassing condition of "anal leakage", providing a warning signal to the dieter. Xenical has been compared to Amibuse,

the drug given to alcoholics which makes them vomit if they touch a drink.

Dr Nick Finer, a specialist in obesity at the Luton and Dunstable hospital, who was involved in trials of the drug, said: "It is a very interesting approach to the problem and it seems to work. It is a bit like having a personal minder who slaps you on the hand as you reach for the cream cakes."

The European committee that oversees drugs licensing has given Xenical a positive opinion, but formal approval is still some months away. In the US, the Food and Drug Administration refused Xenical a licence after the drugs committee was split over worries about a possible link with breast cancer.

The drug, whose chemical

name is orlistat, works by blocking the enzymes in the gut that digest fat. Up to a third of the fat eaten is blocked and excreted, equivalent to around 600 calories a day on an average diet.

Traditional diet pills target the central nervous system and have an amphetamine-like action, increasing metabolism and suppressing appetite. In rare cases, this has caused heart problems which led to the withdrawal of one of the most widely used drugs, fenfluramine, last year.

Trials of Xenical on 7,000 patients in the US and Europe have shown that 40 to 50 per cent achieved a 10 per cent weight loss maintained over one to two years. The average patient in the one-year trial lost 10 kilos (over a stone and a half).

However, the drug is not

risk-free. Aside from the possible breast-cancer link, which the manufacturers, Roche, discount as a freak statistic, the drug has other side effects. It reduces absorption of vitamins E and D and patients are likely to be advised to take supplements of these vitamins. Reduction in vitamin D levels is potentially the most serious because of the link with bone loss and osteoporosis.

A spokeswoman for Roche said formal approval from the European Committee on Proprietary Medicinal Products was expected within three to four months. A Europe-wide licence would then be issued by the European Medicines Evaluation Agency. "We would expect the UK launch to be imminent once we get European approval," she said.

ASA dismisses vacuum-cleaner claims as a lot of hot air

By Kate Watson-Smyth

DYSON, Britain's most popular vacuum-cleaner manufacturer, has been misleading customers by claiming that it is healthier and "more efficient" at dealing with household dust, according to the Advertising Standards Authority.

The bagless, see-through Dyson is currently bought by six out of ten people buying a new vacuum cleaner, but, according to the ASA, many of the claims made for the revolutionary design fall short, in reality, of boasts in the company's advertisements.

The ASA upheld 12 out of 35 complaints about claims made in three Dyson commercials. These included slogans about the vacuum cleaner being "much more efficient" at removing dangerous dust particles, and it offering "relief for asthmatics and allergy suf-

ferers" and "the cleanest-ever expelled air".

The ASA's rulings have highlighted fierce skirmishing in a high-street vacuum-cleaner war. Rival manufacturer Miele has commissioned independent research into the efficacy of the Dyson cleaner in the hope of knocking it from the top spot. It has launched a £250,000 advertising campaign on the back of its research and the ASA's rulings.

Michael Jeanes, chief executive of Miele, said: "Dyson is saying that bag cleaners are no good and that they lose suction and I cannot allow that to happen... Most cleaners are tested to international standards but Dyson does not recognise that standard because they say it is not the right sort of dust."

The ASA also upheld complaints from *Which?* magazine and Hoover about two other Dyson commercials.

Dyson refused to comment

yesterday but the ASA rulings are an unwelcome dent in the image of a British design success story. The bagless vacuum cleaner was unveiled as one of the items typifying Tony Blair's Cool Britannia when it was put on display at the Department of Trade and Industry's powerhouse:uk exhibition, alongside the Psion organiser, a pair of Manolo Blahnik shoes and other paeans to British design supremacy.

However, a spokeswoman for the curator of the exhibition, Claire Catterell, said the show was meant to represent what is good about Britain now and was not about the best object of the past 10 years, or of a generation.

"The Dyson has become a cult object... and it is a symbol of how people have accepted modern design," she said. "The question of how well it works was not one of the criteria for choosing the items that would go into the exhibition."

Druids return for solstice at Stonehenge

THE DRUIDS could make a return to Stonehenge for this year's summer solstice ceremony, it emerged yesterday.

The ancient order was banished from the site in 1968 after public disorder incidents sparked by a minority of travellers trying to revive a free festival.

But the druids behaved impeccably after being let onto the ground for last year's autumn equinox and winter solstice and again at this spring's equinox. Wiltshire police and English Heritage have suggested that about 100 people should be allowed to witness the sun rise over the stones on 21 June.

At his Somerset home Rollo Maughling, Arch-Druid of Stonehenge and Glastonbury, said: "This will be a good step if it happens."

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Insurers set to raise rates for flood-risk homes

By John Willcock

HUNDREDS of thousands of homes in England and Wales which have been built over the last 25 years in areas which are at an "appreciable risk" of flooding will face higher insurance premiums in the future.

While many of the homes in the Midlands that have been damaged by flooding over the last week may escape such rate hikes, insurers say that they are considering "selective increases" in premiums for homes built in vulnerable areas.

Ron Baker, deputy director general of the Association of British Insurers (ABI), says much of this reassessment has been prompted by research into rising sea levels and their impact on house insurance premiums on the east coast of England.

The industry has already taken on board the implications of an estimated 2ft rise in sea levels in the next 50 years on some parts of the east coast. Now it is shifting its attention to houses which have been built recently in areas known to be prone to flooding. Insurers say much of this development has been in unsuitable areas because of the lack of space in more secure areas.

Mr Baker points to "wide-spread areas which have been built up over the last 25 years because of the pressure on [available] land."

A spokesman for Guardian Assurance, which has about 6 per cent of the United Kingdom home insurance market, said the problem was "similar to subsidence". "Not too long ago, insurance companies would charge a single rate over the whole of the country for subsidence," he said. Now, with the realisation that the clay on which homes are built in the south and south-east of England makes them particularly vulnerable to subsidence, insurers are charging "differential premiums against houses in the north of England," he said. "Maybe something similar will happen to flood premiums."

Individual insurance companies forecast rising premiums because of a number of factors, not just flooding. A spokesman for General Accident, for instance, which insures more than one million homes in the UK, said that subsidence was just as common a reason for increases in premiums.

"There may be increases of around 10 per cent in areas

prone to flooding," the GA spokesman said.

Jeff Kehoe is household manager for Royal & Sun Alliance, which is the market leader and covers several million homes. The company is dealing with large numbers of claims related to flood damage, and Mr Kehoe said the ABI estimates of total UK claims of £500m "could well push up to £600m or £700m".

Mr Kehoe said there were several reasons why household premiums are set to rise generally, not least an end to a vicious price war in the UK insurance market over the last two years. "There should be a general drift up in premiums starting in the second half of 1998 and going on into 1999. If premiums had continued to fall they would have hit unacceptably low levels," he said.

Mr Kehoe held out some hope for homeowners, however, pointing out that new homes were generally better risks than old ones. They usually have better foundations, which means they are less prone to subsidence. Also, he says, they tend to be more secure from burglars because of better locks on doors and windows. "So its swings and roundabouts," he concluded.

Dublin frees IRA men early

THE Irish Republic granted early releases to nine IRA prisoners last night in an attempt to boost the Northern Ireland peace accord struck in Belfast last week, writes Matthew Brace.

The men were freed from the high-security Portlaoise prison. The nine inmates - five from Londonderry and four from the Irish Republic - had been serving sentences for a range of arms and explosives offences. However, none was serving time for murder.

Eight had been due to be freed within the next 18 months but one was not due for release until 2005.

The releases were seen as an official attempt to aid the Sinn Féin leader, Gerry Adams, in his attempt to secure party backing for his peace strategy after accepting the peace deal, and they come days before this weekend's Sinn Féin annual conference in Dublin.

A key element of the peace deal is the release of all paramilitary prisoners over the next two years.

The IRA has observed a cease-fire since July 1997. The Irish government has frequently granted early parole to IRA inmates, most recently last December, to encourage that truce. Fewer than 40 IRA members remain in custody in the Irish Republic, compared with more than 400 in Northern Ireland.



Orient express: Children gobbling food from the conveyor belt at Yo! Sushi bar in Harvey Nichols store in Knightsbridge where special dishes for the Easter holidays include Japanese chicken fingers and jelly sushi. Photograph: Nicola Kurz

Blair's Saudi visit raises hope for jailed nurses

By Anthony Bevins in London and Eric Silver in Jerusalem

SPECULATION mounted yesterday that an announcement was imminent on the fate of the two nurses jailed in Saudi Arabia for the killing of Yvonne Gilford, an Australian nurse, in 1996.

With Tony Blair due to arrive in the kingdom this weekend during a whistle-stop diplomatic tour of the Middle East, the Saudi lawyer for the two nurses - Deborah Parry and Lucille McLauchlan - was reported as saying that ministers were due to decide on their sentence by the end of the week.

The Independent was unable to contact the lawyer yesterday, but an intervention by the Prime Minister on behalf of the two women would not be unusual. John Major made a direct plea to the King of Thailand on behalf of Patricia Cahill and Karyn Smith, who had been jailed in Bangkok after bolts of heroin were discovered in their suitcases. They were freed

on humanitarian grounds in July 1993.

Parry and McLauchlan have been held in Saudi prisons for the last 17 months, and although Downing Street would say nothing about the visit yesterday, an early release would be a clear bonus for Mr Blair.

The diplomatic traffic that has been going on over the case is unlikely to be revealed in full. But the attention to detail is so great in such matters that there was even unconfirmed speculation that England's decision to play a friendly football match with the Saudi team, in preparation for the World Cup, was part of the game-plan to help get the two women released.

Meanwhile, it was learnt yesterday that an incipient diplomatic row over the timetable for Mr Blair's visit to Israel and the Palestinian territories had been averted. The Prime Minister will lay a wreath at the grave of the assassinated Israeli leader, Yitzhak Rabin. But he will not, as had been mooted in the planning stage,

stay overnight in Gaza after meeting the Palestinian president, Yasser Arafat.

A senior Israeli official said yesterday that Mr Blair would visit Rabin's grave accompanied by the late premier's widow, Leah. She had asked for her husband's successors as Labour leaders, Shimon Peres and Ehud Barak, to be present. The Israeli prime minister's office insisted that the finance minister, Ya'acov Ne'eman, should represent the present right-wing government alongside them.

Both British and Israeli diplomats said yesterday that there was no connection between the visit to Rabin's grave and Mr Blair's Gaza trip.

A British spokesman said the idea of staying over in Gaza had been abandoned at an early stage because it did not fit in with the rest of his programme. Israel - still smarting from Robin Cook's contentious tour of the Har Homa settlement site in Jerusalem - is known to have objected, and London, it seems, did not press the issue.

Soldier accused of Cyprus attack

MILITARY police are investigating an alleged assault on a British holidaymaker by a British soldier serving with the United Nations in Cyprus.

The tourist, Jeremy Caprio, 35, was blinded in one eye in an alleged attack outside a night club in Ayia Napa early yesterday. He had surgery yesterday afternoon, and a doctor reported: "He has a severe injury of the right eye, he has a rupture of the globe of that eye. He has lost the vision of that eye."

A Ministry of Defence spokesman said: "We can confirm that an alleged assault by a British soldier serving with the UN force in Cyprus is being investigated. We have got very strict rules about conduct in Cyprus, and if warranted we will take stern action."

Giant urn planned for Diana grave

A GIANT memorial urn is to be placed on the island where Diana, Princess of Wales is buried.

The 18ft-high urn, elevated on a plinth, will be visible to visitors from the lakeside at Althorp, Diana's ancestral home, Earl Spencer disclosed.

The Princess's brother said he wanted her grave "somewhere where I could take care of her".

Lord Spencer said William and Harry, the Princess's children, would be asked for final approval of the Diana museum now taking shape on the Northamptonshire estate. He also said that he is editing old cine film of Diana growing up, to be screened in the museum.

Trapped in Oblivion

DOZENS of people were last night trapped for almost an hour on Britain's most terrifying roller-coaster ride.

The Oblivion ride at Alton Towers was opened in a blaze of publicity and features a climb upwards followed by a 200ft vertical drop. The ride broke down at its highest point and left up to 30 people perched at the top. Early indications are that there was a failure of the ride's computer system. The park put emergency procedures into place and used a harness to carry people to safety.

Airport food guide

A GUIDE to "name and shame" airport restaurants was launched yesterday by Egon Ronay.

The guide by the food guru covers seven airports, including Heathrow and Gatwick, to help passengers pick out the best place for a pre-flight meal.

Mr Ronay said food standards had taken off at airports in recent years with some restaurants now offering meals to match the highest class establishments. But at the bottom end, too many passengers were still being fed "dry and tasteless" burgers and watery coffee.

Anglesey inquiry

THE Wales Labour Party is to hold an inquiry into Anglesey County Council following a critical report from the district auditor, writes Tony Heath. The report named Labour councillor John Owen in allegations of impropriety in a property deal. He resigned after it emerged that he had sold five properties to the authority to make way for a car park.

Surgery setback

Jade Harris, a six-year-old British girl born with just one ear, will not after all be undergoing a pioneering operation in Boston to grow a new ear - something not possible for two years, according to doctors.

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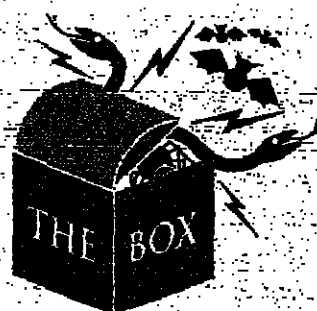
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Prescott sees green light

THE greening of John Prescott is an inspiring story, particularly because of its brevity. One of its leading characters is Fiona Reynolds, 40, head of the Council for the Protection of Rural England. Back in the pre-green dark days of December, our Deputy Prime Minister announced that West Sussex would have to build 50,700 houses by 2011. This meant, according to Reynolds, that the Government had "failed its first big test" on environmental issues. Her message must have hit its target for, by 24 February, Prescott decreed that 60 per cent of all new homes must be built on brownfield sites. And what influence this woman can wield, for just one month later she found Prescott's revised target for more new housing "a significant improvement". Thus Pandora was hardly surprised to learn yesterday that the new head of the woman's unit at the Department of Social Security will be, yes, Fiona Reynolds. She will work for Harriet Harman, secure that rural England is now fully protected.

Memories of Tories past

PASSING the Commons on Monday, Pandora was feeling nostalgic about all those familiar Tory faces now departed. What, for example, has happened to Philip Oppenheim, that former Treasury junior minister who, upon being ejected from his seat, positively threw up his hands in glee? He told the *Times*, "I have loved being out" and hailed "the freedom to be and do what you want, to work with people of your choice". Pandora can't wait to read his promised political novel. Hopefully, it will reflect Philip's explicit interest in exotic plants.

Mighty posting for Quinn



WHO will be the next US ambassador to Ireland? The incumbent, Jean Kennedy Smith (left), never gained the confidence of the British government (to put it mildly) and her presence in Dublin would hardly enhance American influence with Unionists in the months ahead. According to reports in the US, she will return to private life in July. The favourite to replace her is a millionaire named Paul Quinn. As is the custom with such appointments, Quinn has donated heavily to Clinton's Democratic Party. Most importantly, he is said to be the first choice of George Mitchell, the influential chairman of the peace talks.

Pandora



Back to nature: Svetlana Bakhariev and her husband, Dimitri, at the home of Sheila Kitzinger. Photograph: John Lawrence

Britain lures mothering Russians

By Jeremy Laurence
Health Editor

MIDDLE-CLASS Russian women have added a new item to their shopping lists. With trappings of the Western way of life they are starting to demand the Western way of (natural) birth.

Svetlana Bakhariev, 30, is believed to be the first Russian to exchange the bleak maternity wards of Moscow for the promise of aromatherapy, mis-

sage and a water birth in England. Eight months pregnant, she arrived in Britain with her husband, Dimitri, to have her baby at the John Radcliffe Hospital, Oxford.

The couple, both lawyers, are paying £2,500 for the privilege of having a natural birth, attended by midwives who will respect their wishes. Mrs Bakhariev said: "In Russia the criterion is how convenient it is for the doctor, not for the woman. I want to have my

child without violence. In Moscow they give you drugs permanently through labour. I don't want to have my baby medicinally."

She heard about the John Radcliffe through an independent male midwife in Moscow, where a consumer movement demanding better treatment for women in childbirth is just beginning. "I am sure there are a lot of other Russian women who want to do this. I have a friend who is trying to do what I am doing. If more of them knew about it, they would come too."

Sheila Kitzinger, the childbirth campaigner, who is assisting the couple while they are in England, said conditions in maternity wards in Russia and Eastern Europe were grim. Women were treated without care or concern for their dignity and were not given adequate pain relief. "They are supposed to shut up and behave themselves and be brave for Mother Russia," she said.

Drugs tsar warns of cut-price heroin

By Clare Garner

RECORD amounts of heroin were seized by Customs last year, reflecting the increasingly widespread availability of the drug on Britain's streets. It was revealed yesterday.

A total of 1,747kg of heroin was seized in 1997, a tonne more than the previous year. Police estimate the haul has a street value of more than £145m and is the equivalent of 9 million "wraps". A wrap represents between one and four hits and is being sold on the streets for the same price as a pint of beer.

At a press conference yesterday at which the annual Customs & Excise figures were announced, Keith Hellawell, the Government's "drugs tsar", said heroin dealers were getting youngsters hooked by selling the drug at a loss and suggesting they smoke rather than inject it. Some young people take the view that it is "all right" to smoke drugs, but "stupid" to inject, he said.

"It becomes more attractive to the young user when the pusher says 'I'm not going to sell you stuff that gives you Aids; have this stuff to smoke, it gives you better hits and better highs than the other stuff [cannabis]'"

Mr Hellawell spoke of "an erosion of resistance" towards softer drugs among the young. "Once you get a generation believing that illegal substances - and some legal substances - are attractive and that it doesn't matter, they naturally will go and try something else. Youngsters are discounting cannabis. Campaigns that are saying it ought to be legalised, that more people are doing it, mean they just discount it... There's a sort of machismo - and whatever the equivalent word for girls is -

where they say, 'I'm going to go for it. I'm not going to play with this stuff [cannabis]'"

About 80 per cent of the heroin seized comes via the Balkans. The heroin is produced from opium grown in Afghanistan and Pakistan and is then transported in cars, vans, coaches and lorries from Istanbul through Bulgaria, Romania, into Austria and Germany, through the Benelux countries, and into Britain.

Dick Kellaway, Customs' national investigation service chief, highlighted Customs officers' successes, including the discovery of more than 200kg of heroin under the carpets of two speedboats, and the detection of 450kg in a consignment of bathrobes. But he called for more co-operation between drug enforcement agencies across the world.

"The Turkish authorities have given us some assistance in tackling the problem, but more remains to be done... [British] Customs takes pride in having made a significant contribution to tackling a global problem, a problem which can only be approached by countries working together. We earnestly hope that at a time when the UK has presidency of the European Union, there will be further improvements in judicial co-operation to allow even more effective joint effort."

In total, Customs seized more than 82 tonnes of drugs, with a street value of around £650m, and disrupted 134 major drug smuggling gangs.

The amount of cocaine seized totalled more than 2 tonnes, up from 1.157 kg the previous year; seizures of cannabis amounted to nearly 77 tonnes, slightly up on 1996.

Leading article, page 18

the university for industry

Monday 20 April 1998

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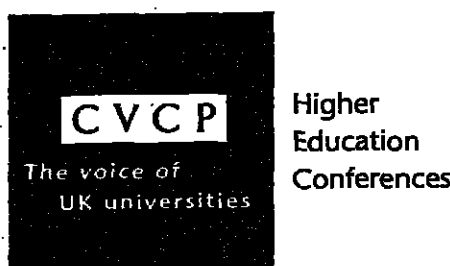
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Editor, *The Independent* and *The Independent on Sunday*

David Brown,
Chairman, Motorola Ltd and Chair,
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Josh Hillman,
Institute for Public Policy Research

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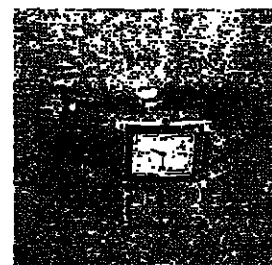
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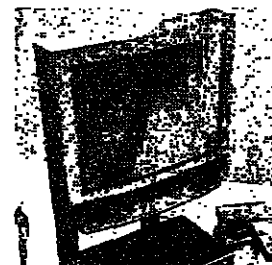
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Education conferences: Left triumphs over moderate NUT leadership as delegates back bid to be given days out of class for paperwork

Teachers vote for strikes in battle to win four-day week

By Judith Judd
Education Editor

TEACHERS voted yesterday in favour of a week of industrial action and strikes in their campaign for a four-day teaching week.

In doing so, members of the National Union of Teachers delivered a sharp snub to David Blunkett, the Secretary of State for Education, who told them on Monday that all industrial action was unacceptable because it would damage the Government's standards agenda and threaten children's life chances.

Left-wingers at the union's annual conference in Blackpool defeated their moderate leadership when they backed the week of action planned for this autumn in pursuit of a new national contract for teachers. Under the contract, primary school teachers, who usually have no time out of the classroom, would have one day a week for jobs such as marking, preparation and form-filling. New teachers would have two days out of the classroom each week. Secondary school teachers already have non-contact time.

Union leaders who told delegates to "grow up" during the debate fear

that members will be in breach of their contracts if they carry out the motion.

They will now ballot members on the action, during which teachers may decide to work no more than 35 hours a week, refuse to teach oversized classes, refuse to cover for absent colleagues and insist on an hour's lunch break every day. The union says that no class should have more than 30 pupils.

The motion also calls for a campaign of action, including strikes, to secure the contract.

William Reese of Coventry, a member of the Socialist Teachers' Alliance, said: "I don't think refusing to teach classes over actionable limits, refusing to cover for colleagues and ensuring teachers have a lunch break is industrial action."

"It is simply teachers saying they are going to show how the underfunding of education is covered up by the commitment and work of teachers."

Bob Sulatycki, of Kensington and Chelsea in west London, said: "We should not have to tolerate poorer conditions of service in England and Wales than other colleagues in Western Europe."

"Teachers in England and Wales are 22 times more likely to go sick out of stress than their colleagues in France."

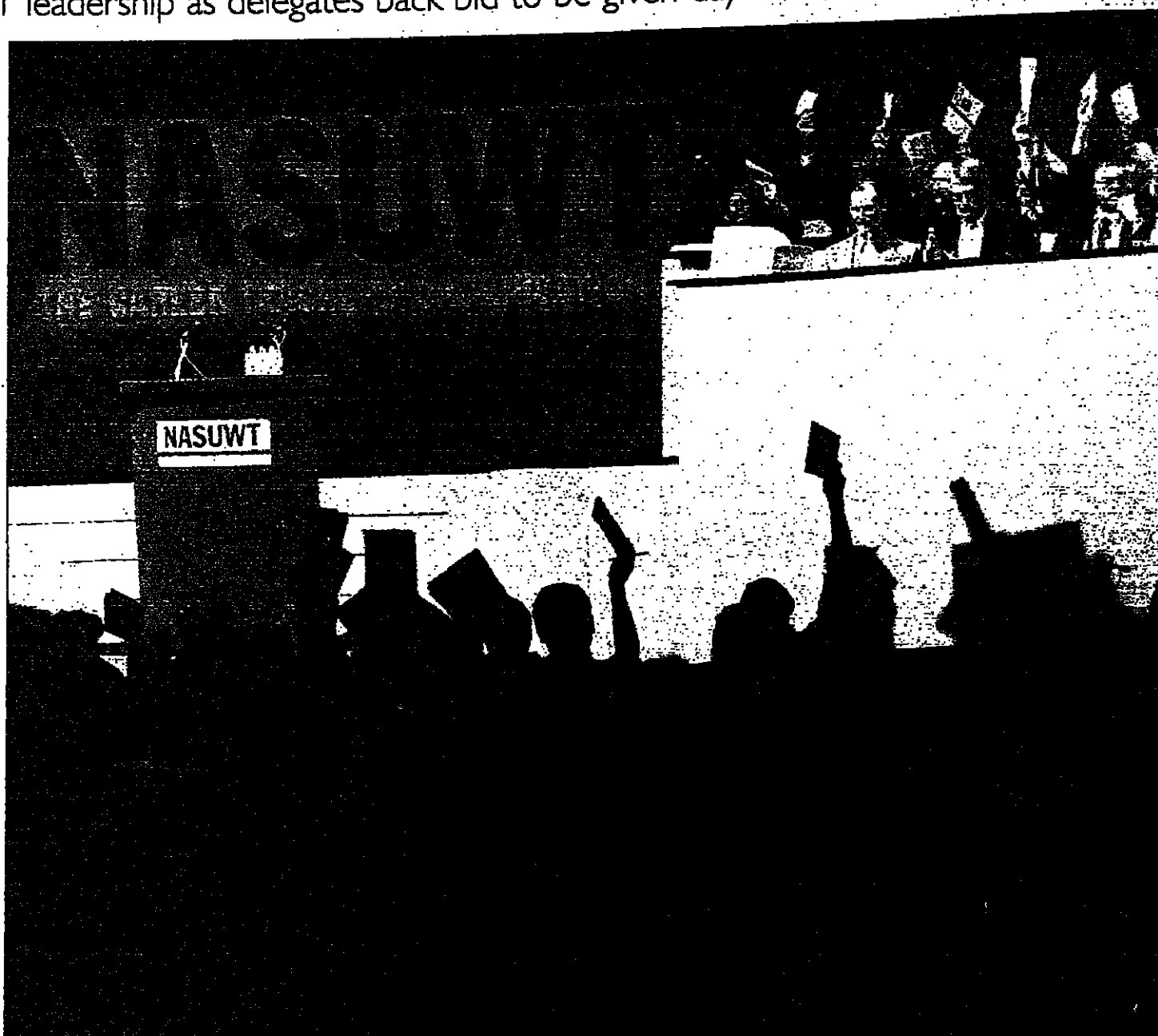
Barrie Smith of the union's executive, told delegates to grow up and listen to other people. "Threatening strike action in this case is adopting a posture. All you do is to put your salary back into the school budget to buy another teacher. That is silly."

Martin Reed, of the executive, accused supporters of the motion of indulging in the "politics of Alice in Wonderland".

Doug McAvoy, the union's general secretary, said: "Parents won't understand action of this type. Children will be sent home."

The union's leaders now have to hold a ballot for the action week. It will require a 50 per cent turn-out of members and a two-thirds majority for the action to go ahead. Jerry Glazier, of the executive, questioned whether 90,000 members of the union would vote in favour of the action.

The week of action would involve a work to rule, but not a strike. If it failed to persuade the Government then a campaign of action, including strikes, would begin.



Hands up: NASUWT delegates voting at their conference in Scarborough on an amendment to reform Ofsted. Photograph: Steve Forrest

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McAvoy tears a strip off his unruly class

By Ben Russell
Education Correspondent

TEACHERS' union leader yesterday told delegates at the annual conference that their unruly behaviour had no place in his union, writes Judith Judd.

Doug McAvoy, general secretary of the National Union of Teachers, was speaking the day after some delegates heckled David Blunkett, the Secretary of State for Education, at a conference in Blackpool.

Mr McAvoy said, meant to be a warning to teachers. Teachers had their part to play in improving the profession's image and solving the recruitment crisis - and that included conference delegates.

He thanked Maureen Skevington, the union's president, for responding with "tolerance, patience and dignity to some behaviour which should have no

place in the conference of the NUT."

Teachers were important role models for children, he emphasised. "Children respond to example, they emulate those they admire. Each of us through our self-respect, through the dignity we display, through our behaviour, through the image we project, send a message to children."

"The status we accord ourselves, the determination we show that the profession is to be admired, gives a message to those children: teaching is a great profession."

He went on to say: "If we behave in ways we would not accept from our pupils, if we treat others as we would not wish to be treated ourselves, we are telling children this is what

being a teacher means. It does not."

He warned delegates that the Government would not be shifted by the thumping of feet in Blackpool, but only by a sound case based on research.

"Delegates must be realistic about the strengths of the Government," he said.

"Whatever we might think, whatever we might say here, whatever our perceptions of right or left, this is still the most popular government since the Second World War."

"The Prime Minister is an international figure who has made his name in history and who enjoys the confidence of the vast majority of the British people" and the admiration of governments and peoples in countries around the world.

Lessons on stress demanded

By Ben Russell
Education Correspondent

LESSONS in controlling stress should be a compulsory part of all teacher training, the second-largest classroom union said yesterday.

Techniques such as anger control and relaxation should be part of all coaching for new and

existing staff, the NASUWT said. A study published earlier this year by Professor Cary Cooper, head of occupational psychology at the University of Manchester Institute of Technology, found teachers were the fifth most stressed profession after groups including prison officers, police and social workers.

Another study by Professor

Cooper in 1991 found one in five teachers suffered anxiety and depression which he said would not be out of place in a psychiatric hospital out-patient unit.

Teachers want action to reduce the number of staff leaving the profession with stress-related illnesses. Ill-health retirements among teachers are running at about 6,000 a year, up from just 2,000 in 1989. Union officials estimate up to half could be stress-related.

Teachers complain that long hours during term time, fear of school inspectors and pressure from head teachers is driving many to breaking point.

Delegates at the NASUWT conference in Scarborough painted a stark picture of the lives of some teachers they said had been driven out by stress.

The issue was one of the six top concerns of the union's members.

Philip Richardson, from Maidstone, Kent, said: "Stress is a killer. One of the main causes of stress is the macho aggressive style of headteachers who see it as a mark of their virility to get rid of weak teachers on trumped-up charges."

"My best friend killed himself on the first day of the school year by throwing himself on a railway line."

DAILY POEM

In Hospital: Lady Probationer

By W E Henley

*Some three, or five, or seven, and thirty years:
A Roman nose; a dimpling double-chin;
Dark eyes and shy that, ignorant of sin,
Are yet acquainted. It would seem, with tears:
A comely shape; a slim, high-coloured hair;
Graced, rather oddly, with a silver ring:
A bashful air, becoming everything:
A well-bred silence always at command.
Her plain prim gown, prim cap, and bright steel chain
Look out of place on her, and I remain
Absorbed in her, as in a pleasant mystery.
Quick, skilful, quiet, soft in speech and touch ...
"Do you like nursing?" "Yes, Sir, very much."
Somehow, I rather think she has a history.*

Our Daily Poems until Friday come from the expanded edition of the Penguin Classics anthology *Poetry of the 1890s* (Penguin, £5.99), edited by R K R Thornton and Marion Thain. W E Henley was crippled from childhood as a result of tubercular arthritis; the "In Hospital" sequence appeared in his Poems of 1898.

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Experts accused of food-bug errors

By Jeremy Monblat

THE health team which dealt with the world's worst *E. coli* outbreak made a series of errors which led to dozens of people becoming seriously ill.

A fatal accident inquiry into the deaths of 26 people in the 1996 outbreak in Wishaw, central Scotland, starts in Motherwell on Monday. Professor Hugh Pennington of Aberdeen University's microbiology department, who led the government inquiry into the outbreak, said: "I think the inquiry will be clearly looking to see how many cases could have been prevented if different actions had been taken in the very early stages of the outbreak."

A programme on BBC2 tonight, *Outbreak*, claims that up to 24 people could have been prevented from contracting the bug, and more than 100 people were put at risk by errors by the authorities charged with stemming the food poisoning epidemic. A total of 500 people were affected.

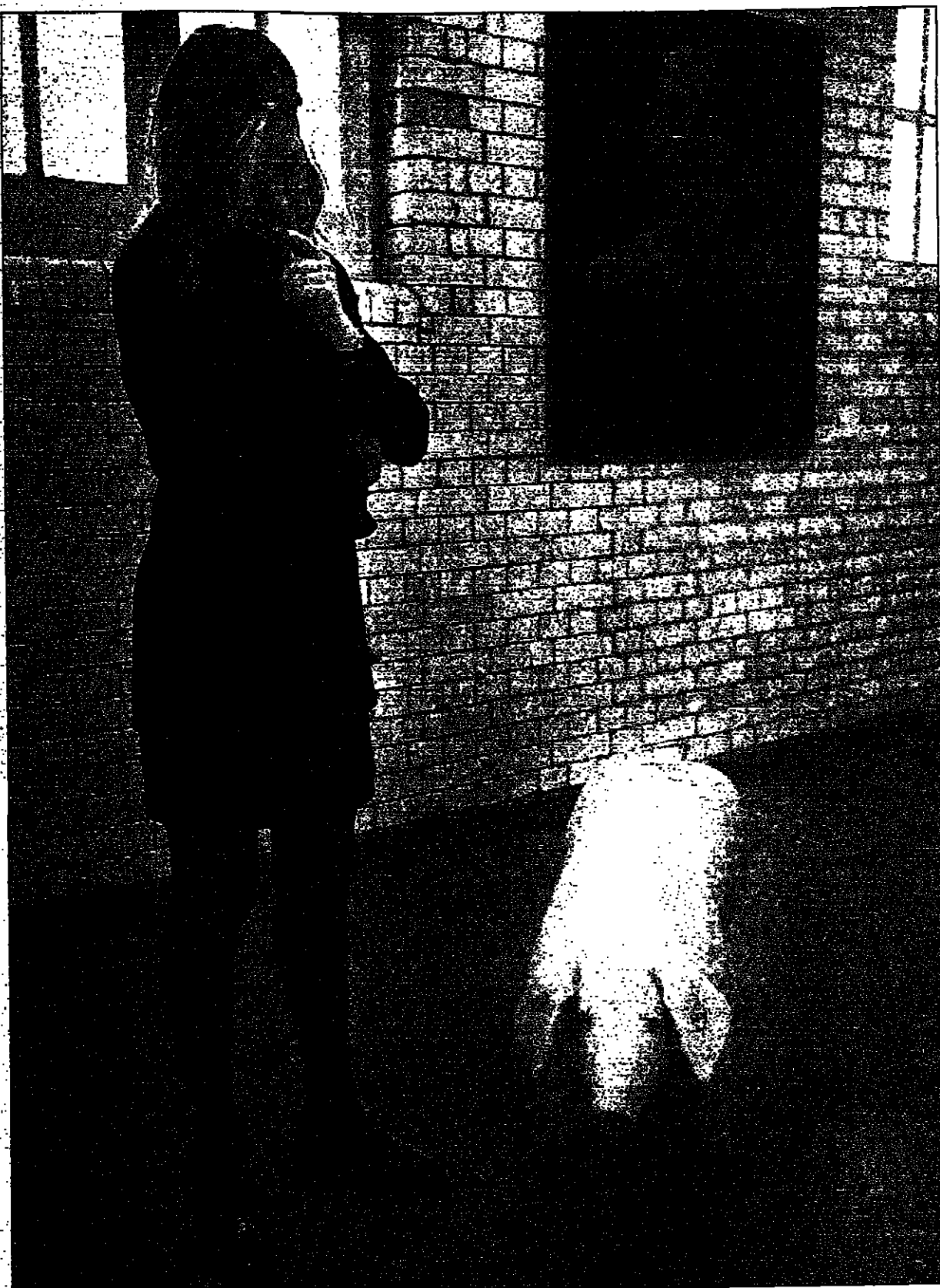
The health team was led by Sayed Ahmed, a public health consultant at Lanarkshire Health Board, and Graham Bryce, the head of protective services at North Lanarkshire Council's environmental health department. Faced with a potential epidemic, Dr Ahmed and Mr Bryce acted quickly in visiting John Barr, the butcher whose shop was at the centre of the outbreak, and reached a voluntary agreement for him to stop selling the cold cooked meats which were sus-

pected of being the source of the illness. He asked, however, whether he could continue to sell cooked meat products from the adjacent bakery shop, and was told "it would be OK".

According to a confidential Lanarkshire Health Board report, seen by the BBC, up to 24 people became ill after buying contaminated cold cooked meats from the shop the next day. Had the health team visited the premises that night they would have found what the officers sent to the shop discovered the following morning: that there were a number of processes and procedures employed in the business with the potential for an increased risk of cross-contamination.

Dr Lisa Ackerly, an independent environmental health consultant who later advised Mr Barr, believes the decision to allow cooked meat products to go on sale in the bakery was a mistake. "We are looking at this in hindsight and we don't want to be too harsh on the judgement, but I think it was a fundamental mistake. It really showed a lack of understanding of the risks of cross-contamination in the building," she said.

Four people who separately reported buying cold cooked meats such as beef, tongue and gammon could not prove categorically that they had purchased meats on that Saturday. Mr Barr told the BBC it was a "total impossibility" they had done so, but the customers insist that their recollection is accurate. The confidential report notes "discrepancies in these details".



Taking a stand: Wim Delvoye's *Tattooed Pig, Stuffed Pig* (1965; estimate £4-6,000) in place yesterday for the eight-day preview in London of Christie's contemporary art auction in London on 22 April. Photograph: Rui Xavier

Near-misses highlight air safety fears

THE NUMBER of serious near-misses reported annually by air traffic controllers has doubled since the early 1990s, the latest figures show.

There were 26 incidents involving commercial aircraft in 1996 in which there was either a risk of collision or the safety of aircraft was under threat.

This compared with 16 such incidents in 1995 and 13 in 1992 and 1993, according to statistics from the Civil Aviation Authority.

The figures follow concerns expressed last week by a Commons Select Committee about the workload of controllers affected by delays in the opening of a new control centre at Swanwick, near Southampton, Hampshire.

The near-misses are reported in an aircraft proximity report prepared by the independent Joint Airprox As-

essment Panel. Five of the 26 risk-bearing incidents in 1996 were classified as category A - meaning there was a real risk of a collision between aircraft. In 1995, there was only one category A incident. There were three in 1994, two in 1993 and four in 1992.

A further 21 incidents in 1996 came under category B which means that safety was "not assured". There were 15 category B incidents in 1995, eight in 1994, 11 in 1993 and nine in 1992.

Of the other near-misses reported by controllers in 1996, 36 were of the no-risk category C, while the actual risk was not determined in one incident.

The 63 commercial aircraft incidents in total in 1996 compared with 51 in 1995, 41 in 1994, 40 in 1993 and 55 in 1992.

Cool it, beer buffs tell nation's pubs

DESPITE John Major's ringing endorsement, it seems that warm beer is not the universal elixir the former prime minister believes it to be. At least, not as it is served in Britain's ale houses. Nearly half the pubs bidding for a fine ale award have failed to make the grade because their beers are too warm.

Although British beer is traditionally served tepid, undercover inspectors found that nearly four out of ten pints were being served at 15C or above - well over the recommended maximum of 13.5C.

The findings have sent shivers down the spine of real ale buffs struggling to defend their tipple against the growing pop-

ularity of lager. Around 1,100 pubs across Britain were inspected by experts in a pilot study for Cask Marque, a new industry award scheme designed to push up the standards of ale keeping. Co-ordinator Paul Nunny said the findings were a warning to the industry to "get its act together".

"It's especially worrying at this time of year with the summer coming," he said. "People don't want warm drinks when it's hot. If they start drinking cold lager in June, July and August, they might not come back to bitter in September." The solution could lie in developing new storage systems and better staff training, he added.

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Hidden menace of nerve-gas poisons in sheep dip

By Charles Arthur
Science Editor

JEREMY MAYNARD first noticed the symptoms towards the end of 1989. He began suffering severe muscle cramps, and lost strength all over his body. Sleep became elusive, and food became unpalatable, until he found himself only able to bear the taste of water and oats. "Like being a horse," he recalls.

It seemed strange: All his life he had been fit and healthy; now at the age of 50 his body seemed to be giving up.

He took time off from his work as a farm manager to visit his GP, who diagnosed ME, or chronic fatigue syndrome – a fashionable diagnosis at the time. "In those days it was a vague diagnosis anyway, so who was to say it was wrong? I tried

all sorts of treatments and alternative therapies. None helped."

Then in 1995 he was given blood tests from which a quite different diagnosis was made: organophosphate (OP) poisoning.

He is far from alone. Since 1985 the Ministry of Agriculture, Fisheries and Food has had a total of 1,254 cases of human OP poisoning reported to its Suspected Adverse Reaction Surveillance Scheme (Sars), a voluntary reporting scheme for monitoring reactions of humans and animals to all sorts of veterinary medicinal products. Of that total, 602 are suspected to have been caused by sheep dip; but a Maff spokeswoman says: "nothing has been confirmed."

Suddenly it started to make sense to Mr Maynard, who in

1984 had set up his workshop on a farm in Devon right beside the sheep dip. The materials used to dip sheep? By government order, farmers had to use insecticides made from organophosphates – even though there are chemicals available which are less devastating to humans.

For OPs are not harmless chemicals. Many were first made in Nazi Germany, as part of a search for phosphorus-based nerve gases. They are related to nerve gases like Sarin: they attack the same enzyme, called cholinesterase, which is vital to nerve function.

Yet the farmers who used to

dip sheep in OPs were rarely aware of the dangers involved. "We were told that it was quite safe, that you didn't need to wear protection," recalls Mr Maynard, who used to help put the sheep through. "There would be a pair of rubber gloves with a five-gallon drum of the stuff." Inevitably, he inhaled the

fumes, and some would have splashed on his skin: "when you dipped in the summer, you would often strip clothes off. You wouldn't wear the space suits that they recommend you do now."

By 1992, he was unable to work. "You just have to make do," he says, when asked how

he makes ends meet. In 1994 he began hospital treatment for his condition, which entailed staying in for weeks on end. His marriage broke up.

Now he has daily injections and saunas – to try to force the OPs out of the fat in the body cells, where they linger and cause problems with the pe-

ripheral nerves – as well as weekly infusions which can take up to eight hours.

Yet Mr Maynard is far from alone. He is one of hundreds of farmers and former farm workers who have contacted the OP Information Network, an informal support group set up in 1991 by Elizabeth Sigmund. She started it on learning of the close connection between the effects of OPs used by farmers, and nerve gases.

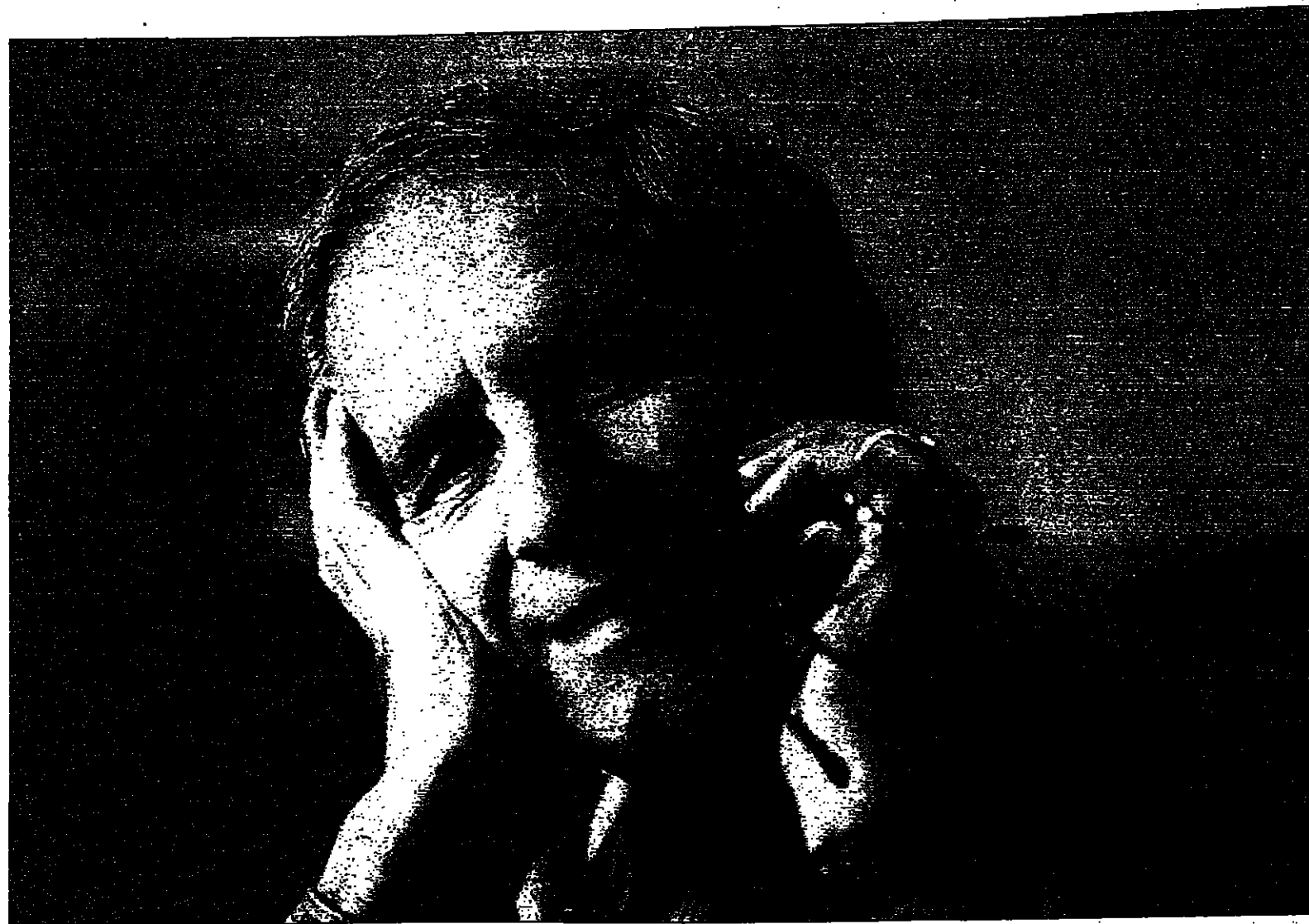
Ms Sigmund points out that the statistics from Maff's Sars masks the real problem.

"The parameters that people have to meet to qualify are impossible if you really have had OP poisoning. For example, filling out lots of forms. People with OP poisoning find it hard to concentrate on doing that at all. Then the panel wants a doctor to back up the diagnosis. But most doctors don't know what it looks like."

For Jeremy Maynard, there is no doubt. "It's a horrible, horrible nightmare of a disease ... if you ever wondered why there have been so many farmers committing suicide – I know."

■ The OP Information Network is on 01579 384492.

Photograph: Tim Cuff



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France will welcome fans without tickets

By Andrew Buncombe

FOOTBALL fans without tickets for World Cup matches will still be welcome in France this summer, the country's tourism minister said yesterday.

Michelle Demessine said even though fans might not be able to get into the games, they could still enjoy the unique atmosphere and watch the matches on large video screens erected in different towns.


"I know there is a campaign asking supporters not to go and I would not like to contradict that message," she said. "I would like to say that people can come without having to go to the matches. There will be the atmosphere of the World Cup. People can come and enjoy the atmosphere. It would be a pity not to enjoy all that. Outside the football stadiums France is celebrating and we want as many people as possible to take part in that."

Her comments appear to contradict the advice being issued to fans by the British government. It has told supporters without tickets not to bother crossing the Channel as any tickets bought from touts on the black market would not be valid.

That too was contradicted yesterday by the French, who said that contrary to what was being said in Britain, not every ticket sold would have a particular person's name and address printed on it and that fans would not necessarily have to show identification as they passed the turnstiles.

Fabien Roussel, press officer for the French tourist office, said: "All tickets sold do not have a name and address with them. There will not be a check of the identity of the person who presents them necessarily."

He also held out the prospect of a further 110,000 tickets being made available for sale to anyone living within the European Community. Mr



Demessine: Go and enjoy the atmosphere

Roussel also confirmed plans for giant television screens to relay matches to ticketless supporters in towns across France. He was unable to give specific details of where they were sited or security arrangements that would accompany them.

Ms Demessine also unveiled a plan to ensure hotels would not take advantage of the World Cup and hike their prices. Under the Prix Bleus scheme, 10,000 hotels, gites and campsites have agreed not to raise their prices.

Yesterday, a spokeswoman for the British Department for Culture, Media and Sport, said advice to supporters remained the same. "We are warning fans that if they cross the Channel on the hope of getting a ticket they will be disappointed. We are saying that people will be able to watch the matches on television or in the pub and they can enjoy the spectacle here."

A spokesman for the Football Association said: "We would still advise people without a ticket not to travel."

Last month the Home Secretary, Jack Straw, launched a £1m advertising campaign warning supporters who do not have tickets to stay away from the World Cup.

Scots allocation, page 27

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Is Latin America heading for a new era of dictatorship and repression?

Clinton has hailed a 'quiet democratic revolution', but the generals are back. Is the US ignoring the threat to human rights in a bid to boost trade? **Phil Davison** reports

ADDRESSING the first Summit of the Americas in Miami in 1994, US President Bill Clinton hailed a "quiet revolution" of democracy across Latin America. But when he arrives in Santiago, Chile, tomorrow for the second, follow-up summit, he will find that democratic progress is stuttering. "Democracy in distress in Latin region," said a front page headline this week in the *Miami Herald*, the US daily which follows the region most closely.

The main concerns? First, the fact that former military strongmen have returned to the political scene in several countries. Second, the democratically-elected leaders of other countries are showing dictator-like reluctance to leave the stage when their terms are up.

Some South American intellectuals say Mr Clinton has turned a blind eye to simmering threats to democracy in deference to economic stability and because of pressure from the US arms industry. Last year, he resumed the sale of advanced weapons to the region, banned by President Jimmy Carter 20 years earlier.

The 34 heads of state at the Chile summit, on Saturday and Sunday, will discuss efforts to reach a pan-American free-trade zone by 2005, an "alliance against drugs" to replace the controversial anti-narcotics arrangements currently advocated by the US, and the setting up of a "high commissioner" to promote greater freedom of the press. But the warning signs for democracy may cast a shadow on the proceedings.

A look around South America tells the story.

In Paraguay, the leading candidate in next month's presidential elections is retired general Lino Oviedo. His candidacy is complicated by the fact that he is in jail.

supposedly for the next 10 years, for launching a failed coup against President Juan Carlos Wasmosy in 1996.

The constitutional issue has left the country on the brink of crisis, waiting for the Supreme Court to decide, possibly today, whether the general may continue his campaign and, if so, what happens if he is elected on 10 May as the polls predict. Paraguayans joke of world heads of state attending his inauguration in a prison yard.

In Bolivia, the region's poorest nation, General Hugo Banzer, 72, who ruled by force and by fear for most of the Seventies, was elected president last year.

Bolivians apparently forgave him the countless human rights abuses of his regime - deaths, disappearances and torture - because he promised jobs and security. Now, they are not so sure. The country has been rocked by violence associated with widespread strikes for more than a week.

In Chile, longtime dictator General Augusto Pinochet last month retired as army chief but took his seat as "senator-for-life". Some Chileans saw his move as an acceptable *quid-pro-quo* for handing the country back to democracy in 1991 but some politicians and human rights groups want to oust him from the upper house and are demanding a political trial for his past.

In Venezuela, retired Lt Col Hugo Chavez, who has attempted several *coups d'etat* in the past, is leading the polls for December's presidential election. He has said he would abolish Congress.

In Colombia, retired General Harold Beoya is campaigning for next month's presidential elections on a platform that would give military officers considerable control of the judiciary, accusing civil judges



of corruption. He is currently in the top four of a dozen candidates.

Colombia's President Ernesto Samper cannot run again but the country is largely in the hands of the generals because left-wing guerrilla groups roam over almost half the nation, kidnapping soldiers and civilians and blowing up oil pipelines. The military's successes in capturing cocaine cartel chiefs have also boosted its support.

In Mexico, democracy has been widely perceived as blossoming over the past few years because the left- and right-wing opposition are

making gradual inroads against the long-ruling Institutional Revolutionary Party (PRI). But many believe the military is flexing its muscles for fear that the PRI, with which the armed forces have had the closest of relations for seven decades, could lose the presidency for the first time in 2000.

The army has taken charge of the Mexico City Police to fight crime and is occupying much of the south-eastern state of Chiapas after a 1994 uprising by Indian peasants led by the Zapatista National Liberation Army.

But it is the clinging to power by several South American leaders that is most worrying Latin American intellectuals, who now speak of "constitutional coups".

In Argentina opposition politicians are up in arms over President Carlos Menem's recent suggestion that he might run again for a third straight five-year term next year. But then so was a second-straight term until Mr Menem pushed through a change in the constitution to allow him to run and win in 1994. Mr Menem said recently that he was

"the best guarantee of continuity".

In Peru, President Alberto Fujimori hopes to run for a third five-year term in 2000. That, too, was unconstitutional until the Supreme Court, heavily-loaded with pro-Fujimori judges, ruled that he could do so. Mr Fujimori was first elected in 1990. Re-election thereafter would have been illegal but he pulled it off in 1995 after dissolving Congress and calling new elections with new rules.

Mr Fujimori, who also engineered a legal manoeuvre to keep his divorced wife from running in 1995, apparently believes Peruvians will support his constitutional tinkering because of his successful raid to free the Japanese embassy hostages a year ago.

The sweet smell of continuing power has also reached President Fernando Henrique Cardoso of Brazil, once a left-wing intellectual but now a forceful free market advocate, who has also pushed through legal changes to lift a ban on a second straight term in elections later this year. He claims the country needs him for another six years to consolidate his unquestioned economic successes.

In Panama, President Ernesto Perez Balladares said last week that he, too, was seeking a constitutional amendment to allow him to run again next year for another five-year term. His critics are already accusing him of launching a "civilian dictatorship".

Perez Balladares was General Manuel Noriega's campaign manager in the 1989 elections, later declared fraudulent. After Noriega was captured in a US military intervention, Perez Balladares laid low but later emerged and was elected in 1994.

Now, Latin American intellectuals, human rights groups and others believe the spreading reluctance to give up power threatens a return to the era of Latin America's "democratic caesars" who ran their nations at the turn of the century, usually backed by the US, beholden to big business and adamant that their citizens were better off if they remained in power.

Albright tries to halt Paraguayan's execution

By John Carlin
in Washington

THE United States Secretary of State, Madeleine Albright, embarrassed by her own country's cavalier attitude towards the death penalty, has personally intervened to obtain a stay of execution for a man who was scheduled to be put to death by lethal injection late last night.

Angel Francisco Breard, convicted of murder by a court in Virginia in 1992, is a Paraguayan citizen. Ms Albright argued in a letter to the governor of Virginia that to go ahead with the execution would be a violation of the Vienna Convention, establishing a precedent that could jeopardise the safety of Americans detained abroad.

The violation consists of the Virginia authorities' failure to inform Breard after his arrest of his right to seek the assistance of officials at the Paraguayan consulate in Washington. The International Court of Justice examined the case last week and formally requested on Friday that the US "take all measures at its disposal" to stop Virginia from executing the Paraguayan.

Ms Albright responded to the call but immediately found herself in conflict with her own government. The Justice Department has made a recommendation to the US Supreme Court, which was considering yesterday an appeal lodged by Breard's lawyers, that the execution be allowed to proceed as planned. Should the Supreme Court accept the Justice Department's recommendation, Jim Gilmore, the governor of Virginia, will have the last word.

In her letter to Governor Gilmore, Ms Albright said she was asking for a stay of Breard's execution because of "possible negative consequences" for American citizens abroad.

"The execution of Mr Breard ... could lead some countries to contend incorrectly that the US does not take seriously its obligations under the (Vienna) Convention," she wrote.

Breard's lawyers maintain that had their client consulted in time with Paraguayan consular officials they might have saved his life by persuading him to accept a plea agreement offered before his trial.



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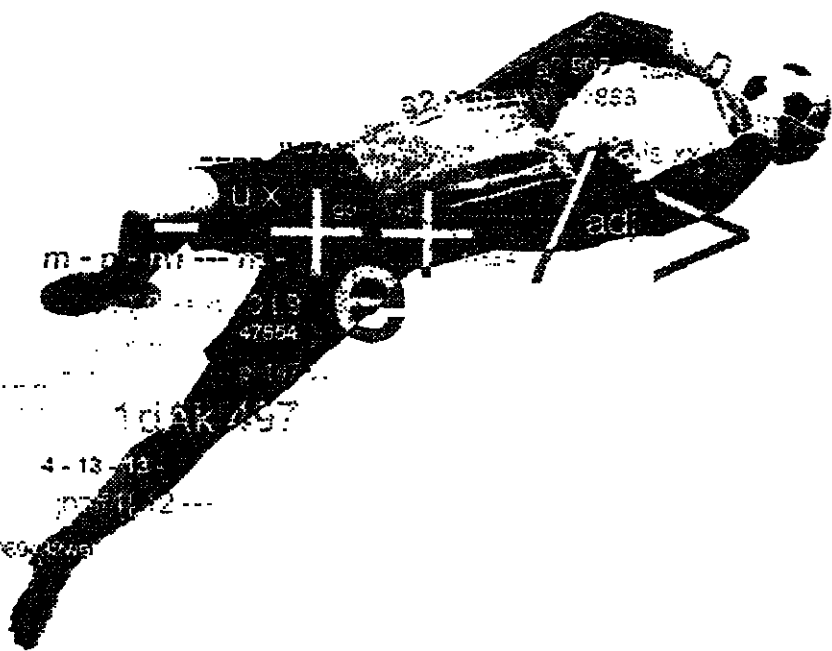
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Happy daze for guru of Gonzo

The drugs do work for Hunter S. Thompson. In fact they have kept him going long after many had written him off. Susan Chenery took him for a beer.

THE problem with being a practitioner of Gonzo journalism is that you have to be human to pull it off with elegance and élan, and have a life expectancy beyond 42 hours. You have to live in deep caves in undiscovered valleys or on high, vertiginous mountains where deep winter snow chills the screaming and shooting and buries the bodies until spring. There is only one man for the job. Hunter Stockton Thompson. And he is one scary dude.

"Hunter is what happens when rehab fails. When case-hardened specialists examine the patient then go shrieking into the night. When weird and dangerous creatures carrying guns and staggering and screaming across mountains are not lassoed, filled with tranquillisers and sent away to scientific laboratories in cages. He is unreconstructed *drugs fiendus*. Full-blown psychosis. The last turching guest at the party this was the Sixties.

Aspen was preternaturally quiet that morning in May, as the plane came in through the canyons on a blast of cold wind. From the foot of the mountain the snow was blinding in the late morning sun. And from the window of the Jerome Hotel it streaked across fir trees and away up the mountain. Hunter sat at the bar drinking whisky, wearing a slouch hat rakishly angled, and baggy army fatigues. He seemed kinder somehow, mellowed. Less menacing.

A huge, large-limbed and fleshy man with a cigarette drooping from a holder in his mouth, Hunter, against all the sizeable odds stacked by himself, seemed not only to have halted the ageing process but thrown it into reverse. He had gained weight and he actually looked younger than he did five years before.

When he hunched over the Jerome bar and engaged in some idle conversation, catching up. He reached across and patted my knee. "So, Susan," he growled, "what do you want tonight? Explosions? Serious talk?"

"Er, I don't think that will be necessary, Hunter." I said, acting insouciant. "Let's just, you know, talk."

Over 30 years ago, after living with the Hell's Angel for 18 months and writing a best-selling book in their defence - serious journalism about the way they had been negatively mythologised which only hinted at what he was becoming - he retreated here to the mountains and began mythologising himself instead. Nowadays, apart from occasional and often disastrous forays out into the real world, he lives reclusively.

It was in the privacy of his own strange home that he became Dr Hunter S. Thompson, the great Gonzo journalist. Perhaps the only one in captivity. It was here that the drugs began to take hold. Here in this log cabin he became the monster of his own creation.

In *The Great Shark Hunt* he explained just exactly what Gonzo journalism is: "It is a style of reporting based on William Faulkner's idea that the best fiction is far more true than any kind of journalism - and that the best journalists have always known this... My idea with *Fear and Loathing in Las Vegas* was to buy a fat notebook and record the whole thing, as it happened, then send in the notebook for publication without editing... True Gonzo reporting needs the talents of a master journalist, the eye of an artist/photographer and

the heavy balls of an actor. Because the writer must be a participant in the scene, while he's writing it - or at least taping it, or even sketching it. Or all three."

"Gonzo journalism came from total despair, total failure," he tells me. "I would be on assignment somewhere missing the deadline, the editor would be panicking so I would have to send my notes. So I would just pull my notes out of the pad and send them. Eventually I became very good at keeping notes."

He does not even begin writing until he is stoned out of his gourd each night. And drunk. I once saw him ingest an ounce of marijuana, a gram of cocaine, a bottle of whisky, some gin and a tab of LSD, alternating the cocktail until he was ready to write, around midnight. The elegant sentences and savage satire do not come easily. "Sometimes they do," he says when I tell him this, "but the punctuation and rhythm don't always. I see writing as riffs, as pure music." Most of his work comes out of a lot of yelling, shooting, drugs, and torment, usually of other people. It is a team sport, usually involving a secretary (a fairly high turnover on this front), girlfriend (also a high turnover, but generally young), trusted friends, dealers, a roaring open fire, the stereo at full volume, and the constant flickering of the television across the stations looking for ideas and ball games. By the time he hits the hot tub, a nightly ritual, he is, in his own words, "raving and jabbering".

Whether he is one of the great contemporary stylists living out his art or a sad gibbering old wreck whose time has passed is a question of taste, I guess. Much of his early work was brilliant: seminal, peerless journalism. Informed, hilarious, wide-ranging. The All piece, the Kentucky Derby, the piece that launched his career and changed journalism as we know it, a piece on travelling with Teddy Kennedy to visit Governor Jimmy Carter in Georgia, the piece on the Roxanne Pulitzer divorce trial in Palm Beach in which the illustrious Pulitzer name was considerably blackened by tales of cocaine slutishness and wanton sex with everyone from the help to other women.

"There was a tortured and smouldering love affair between me and Roxanne," he admits with an uncharacteristically coy smile. "Yeah. Roxanne is one of my loves, which we denied for a while during the trial. She got nothing from the settlement. She was not quite beautiful enough for Palm Beach. I have never told anyone that. Goddamn it, Susan, if you want to interview me you have to realise that I was always really out there."

He went to Zaire, New Orleans, the Nixon resignation, Vietnam on expenses and never got around to writing anything when he got back. When he arrived for his first combat mission in Vietnam at six o'clock in the morning he was wearing Bermuda shorts, sneakers with no socks, a Hawaiian shirt, baseball cap, shades, cigarette in cigarette holder. Two room-boys carried his chest of ice with beer. Nick Profitt in *Hunter*: "Looked in the car - no Hunter. We looked down the highway and there was Hunter, mean, a mile down the damn road. Walking along. Talking into his tape recorder. Heading right toward where the troops were, the last South Vietnamese presence on the highway. Well, first of all, we debated whether to let the son of a bitch get himself killed. Then we

jumped in the jeep and I sort of had to beat the driver about the head and shoulders to get him to go down the road. We pulled up alongside Hunter and grabbed him and threw him in the car. I'd say we were no more than five hundred meters from the first North Vietnamese outpost."

It was the opium dens that got Hunter in Vietnam. If his work seems thinner now and descends, occasionally, into gibberish, if he appears to have lost it, he is just doing what he has always done - drugs and writing.

"He works hard," his friend Dan told me later. "He is up there working every night, he is not always partying and blowing things up. He works."

Therein, I think, lies the key to Hunter's continued presence on the planet. He might put on a show for visitors to engineer his bad boy image, he certainly vacuums a lot of substances, but he never stops working up there on his mountain.

The great Gonzo was cooking as I arrived that night at five, a sight to behold, as smoke billowed through the kitchen. Hunter kept backing into the corner, like a caged animal, recoiling from my tape recorder as if it might be radioactive.

"OK," he said at one point, lurking in the darker recesses of his kitchen, "fire away." Then he walked out the door. On my tape recorder, doors are slamming in the background, a gun is cocked, there is a lot of sniffing, ice clinks in glasses, and long silences are underscored by bouncing balls and hysterical screaming on the giant television. And we must rely on my tape recorder and scrawled notes from here on in because my memory of events by then could not be considered reliable. And he mumbles and mutters and slurs and changes direction so much that it is almost impossible to understand him anyway.

There are glittering moments of lucidity though, every now and then.

The kitchen is a command centre from which Hunter works like some spastic bad guy from a Bond film, often wearing only his bathrobe and chomping on a cigarette holder.

He says in touch with the evil empire with the help of a sometimes recalcitrant fax, a confusing telephone system and a satellite dish which allows him to beam into almost any television network anywhere. The decor is difficult to accurately describe. Arrested adolescence meets psychopathic hillbilly meets eccentric writer. The Stars and Stripes flag hangs across the kitchen window and a large lamp acts as a noticeboard.

'Clinton is a lunatic, he is like a romper stamper. A real badass. He really is one of the worst He is white trash. He is worse than Nixon'

The rest is chaos. There are piles of papers books and videos everywhere, an old upright piano literally buckles under their weight. Fairy lights glisten through the house. A full-size skeleton stands sentinel in the corner, a luckless visitor perhaps, overseeing a collection of stuffed animals poised in interrupted flight. Loaded guns lie around, leaning in corners.

By the time his book on the 1992 Clinton election campaign, *Better Than Sex*, was published, standards had clearly slipped. He didn't by this stage find it necessary to go out on the actual campaign, he communicated with pertinent people by fax and watched it on television, although he and Jann Wenner did meet with Clinton for

lunch during the campaign, in a bid for *Rolling Stone* to deliver its audience. Hunter and the candidate, by Hunter's account, appeared to scare the hell out of each other.

And he did make it to Little Rock for election night, shambling menacingly around the Capital Hotel, drunk, as always, on the job.

"In politics," he mumbles now, "we can count Mr Bill as the number one pig. Sly, civil. Some are more equal than others. Clinton appears, er, er, sour, degenerate, er, er, all men are swine. If you don't listen to what I am saying, Susan, I am going to kill you."

Silence.

"Why do you hate Clinton so much, Hunter?"

"He is a lunatic, he is like a romper stamper. A real badass. He really is one of the worst. He is white trash."

Even with a loaded gun waved around I just don't quit. "Worse than Nixon?"

Hunter seems to have calmed down. "Yeah, worse than Nixon. I have to admit, I have thought about it for a long time and I have to admit that I like Nixon better than Clinton. I had more fun with Nixon than I had with Clinton. That's funny. That tells you something. I had more fun with Nixon." Evil chuckle.

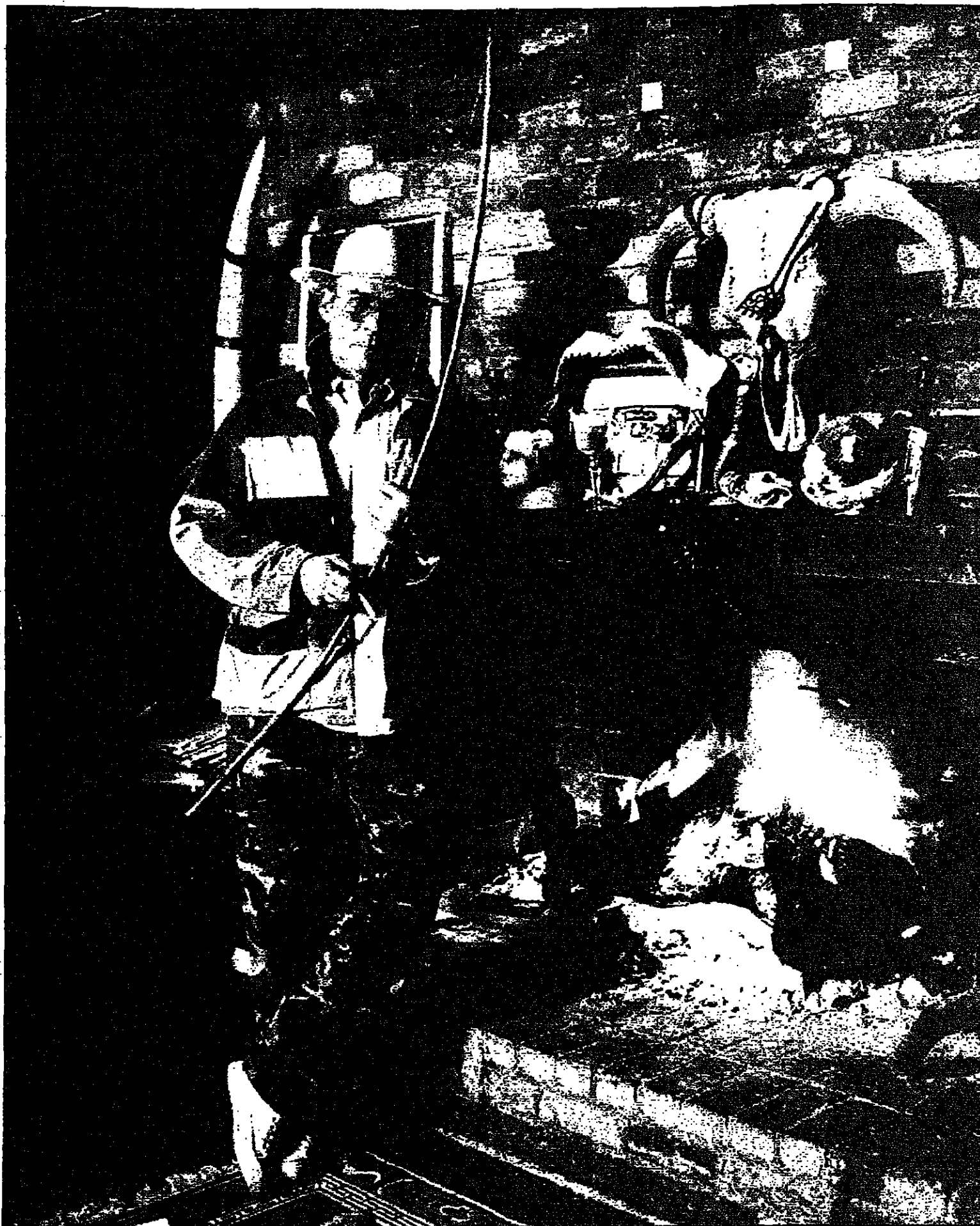
In her book, E. Jean Carroll quotes Hunter's friend, David Felton, saying: "Two major changes occurred with Hunter. One of them was when he started to use cocaine... The second thing that got in his way was the celebrity."

Indeed he is a phenomenon. He represents the walk on the wild side that most people will never take. He seeks attention in his writing but he shrinks from its effects. "I don't want to meet my fans, some of them are dangerous. I get the crazies."

Then we are talking about writers. "Tom Wolfe would have been better, you know, would have realised his potential if he didn't have a drinking problem. I love Tom, he is a wonderful guy, but the drinking, it has been a problem for him." Coming from Hunter, this is an extraordinary statement.

I ask him if he knew what he was doing back in the Sixties when he was pioneering Gonzo journalism. "I am professional," he says with great dignity. "I am who I am. Here we go" - and his great bald head leans forward into the trough.

Susan Chenery will soon join the Independent on Sunday. This article is taken from her book, Talking Dirty, published in Australia in 1997.



Raving reporter: Hunter S. Thompson in a rare moment of relaxation at his mountain hideaway

Photograph: Paul Harris/Alpha

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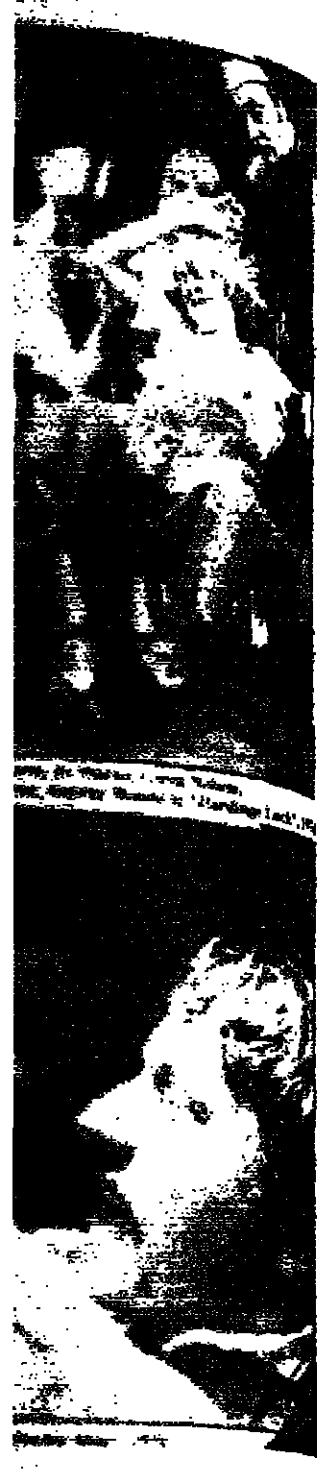
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Left: navy garden smock dress, £25, floral cotton scarf, worn on head, as before; pop socks, as before; strappy high heels, £85, by Gina for Ghost, 13 Hinde Street, London W1. 36 Ledbury Road, London W11, enquiries 0181-960 3121.

Top left: white cotton floral print shirt, £35, and matching belt, both from Laura Ashley, pink pop socks, £6, by Hue, from Dickins and Jones, Regent Street, London W1 and other House of Fraser stores nationwide, enquiries 0171-436 4091; pale blue stilettos, made to order, by Manolo Blahnik for Antonio Berardi, 49 Old Church Street, London SW3, enquiries 0171-352 3863.

Centre left: pink floral sleeveless shirt, £25, beige cotton stretch trousers, £40, both by Laura Ashley; socks, scarf, both as before.

Bottom left: green scarf, worn as top, £10, all from Laura Ashley, Regent Street, London W1, and branches nationwide, enquiries 0990-622 116; white cotton trousers, £30, by Laura Ashley.

ive from
room

I can't believe it's really Laura Ashley

REPORT BY TAMJIN BLANCHARD
PHOTOGRAPHS BY JON MORTIMER
STYLING BY SOPHIA NEOPHITOU
HAIR AND MAKE-UP BY BEVERLY BROOKE
AT JULIE BRANWELL
STYLIST'S ASSISTANT: HOLLY DAVES
PHOTOGRAPHER'S ASSISTANT: MARK MOON
SHOT ON LOCATION AT BUDGENS, BAYSWATER

WHAT would happen if the ailing high street chain Laura Ashley underwent a radical restyle? What if lovely Laura went back to her roots and reasserted her personality? With a new designer raring to get his teeth into the archives, success could be just around the corner.

After all, look at the phenomenal change in fortunes at Chloe, the French house whose flagging business has been revived by young designer Stella McCartney. McCartney has certainly breathed new life into an old dog making Chloe hip and sexy for women like Stella in their twenties, as well as women like the designer's fifty-something mother, Linda, who wore Chloe first time around. The case – and indeed, the spirit – of Laura Ashley is not so dissimilar.

The Laura Ashley story began in 1953 when the Welsh-born designer began in home furnishings. In 1969, she launched her collection of aprons, smocks and dresses, by which time her name was known up and down the country. Her selling point then was a romantic pastoral look,

all flounces, frills and milkmaid – perfect for the early Seventies brown rice, love and peace ethic. By the time Ashley died at the age of 60 in 1985 however, her signature had not sufficiently moved with the times or with her customer. By 1989, the company had to begin laying off workers, although business improved with the introduction of Ann Iverson, the retail wonder woman who looked set to revive profits. In 1993, Laura Ashley was back with a profit of £3 million. But at the beginning of the year, Iverson's magic spell was over and profits fell 44 per cent.

The problem – the brand was trying to be all things to all women, from daughter to grandmother. In reality, most young women want to get away from wearing the label their mothers wore and the label they wore as children. Take Alice Davies, a 22-year-old from Lincoln, who was born and bred on a diet of Laura Ashley, from the wallpaper in her bedroom to the pink bridesmaid's dress she wore to her sister's wedding. At 13, the pink dress was sweet and girly,

but that was the last time she ever wore Laura Ashley. From then on it was Top Shop, French Connection and Warehouse.

"It's still really nice for little children and bits of it are still nice for my mum who is 51, but she has got a younger outlook than she used to. She hasn't got the kids any more. She uses paint and not wallpaper. She's an independent woman. She likes the plain things like the T-shirts. But shops like Oasis and Gap cater much better for that age of woman now."

Georgia Cox, a 23-year-old arts graduate agrees. She buys most of her clothes in charity shops or Jigsaw. The last time she set foot inside Laura Ashley was at the age of 14 when she bought some cushion covers to match her bedroom curtains. "I do still wear one dress," she admits. "But I cut the label out. It's plain black and you'd never know. My mother bought it for me six years ago. I suppose my mum thought it was somewhere to make your children look respectable."

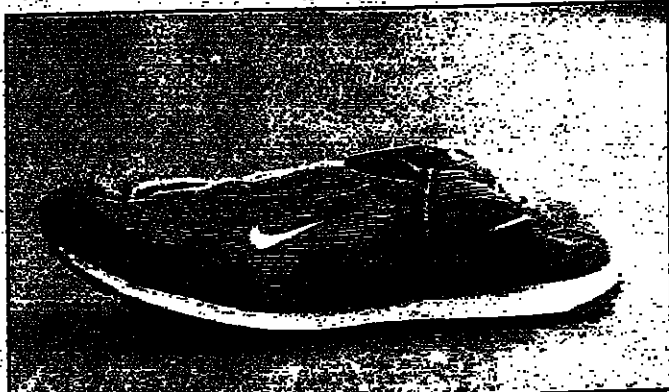
Ideally, Laura Ashley would like to recapture some of those young women when they themselves become mothers. The mental age of their core customer is, they say, thirty-something. The label's new designer is ex-Ralph Lauren, the American success story that for so long has sold the British heritage look so much better than Laura Ashley. It will be his job to steer the collections away from looking like the rest of the high street and back towards the essence of Laura Ashley: romantic, pretty, and natural.

The company has huge potential with a world-famous name and an equally recognisable signature. It is a marketing coup just waiting to explode. Expect closer attention to detail – trimming, smocking, and archive prints used in a fresh way. But the new look is not expected to be fully implemented until next Spring. Until then, ignore your preconceptions and look out for classic print shirts and the reintroduction of Seventies best sellers like the work-wear apron pictured here, and try not to look like a Stepford Wife.

HOT THING

Pocketknife trainer by Nike

I HADN'T succumbed until now, but I fear I may have officially become a fashion victim. It started two weeks ago after spotting these lovely trainers in menswear fashion store Jones. Called 'Pocketknife' and by Nike, they are streamlined, chic, bendy, and designed specifically for canoists. I thought: 'Mmmm nice. I'll buy them at the end of the month.' Little did I know that in the blink of an eye, (and thanks to their trendy limited-edition nature) they had become 'must-haves' and sold out. I called the shop only to be told: "Sorry, there's a waiting list, you'll have to wait for the next shipment, can I take your name and number?" Enquiring further I discovered that word about the Pocketknife (named because they are so flex-



ible they can be folded in half and tucked into a rucksack) has spread fast. They were sourced by Jones's buyer, Carlos Williams. He met a man who knew another man who could get these streamline sneakers that were regarded as boring in the US but potentially hip in the UK. "It was the same with Nike Air Rift, (the ones with cloven toes), nobody wanted them in the US," says store spokesman Kevin MacDermott, "but here they were cult buys." Suitably impressed, I

put my name down, though I don't expect to take up canoeing in the near future. I'll hear in two weeks. By then (and thanks to my new found status as an 'official' fashion victim) I'll probably have moved onto the next thing. Kung Fu perhaps.

Melanie Rickey

□ Nike Pocketknife, £85, available from Jones, 13 Floral Street, London, WC2. Enquiries: 0171 240 8312

OUT OF THE CLOSET

LISA I'ANSON, the husky-voiced presenter of Radio One's weekend lunchtime shows, opens her wardrobe and reveals her fashion secrets

I TRY not to buy hideous things. The worst buy is most likely a PMT buy. Probably fuchsia pink high-heeled Pammy Anderson LA Hooker shoes that are still sitting in a box somewhere.

When I'm presenting on the radio at the weekend there aren't many people around so I can be really laid back, combat trousers and little Agnès B vest tops.

My favourite designers are Gharani Strok, two young girls, Boyd and YMC, all young, hip, up-and-coming labels. I love fashion and am a bit of a fashion junkie.

I like the look of Valentino. If money was no object then I'd dress in a cross between Portobello Road and Valentino. The last

thing I bought – I think – was a top from Agnès B. But how many blue tops do you need?

I've been making sure my son Dylan is kitted out. Baby Gap is pretty cool. And a really good friend of mine has a son older than mine so she passes things on for him.

I love Adidas 'old school' trainers. I have about fifteen pairs in different colours. My favourite are a suede camel pair. They're just cool shoes and I feel good in them. They get distributed throughout the family.

Even my Mum has borrowed a pair, she doesn't realise how hip she is!

Adam Fulcher



Are we money mad?

People would rather talk about their sex lives than their finances. A new book works out why. Roger Dobson reports

"MONIES," said Karl Marx, "change fidelity into infidelity, love into hate, virtue into vice, vice into virtue, slave into master, master into slave, stupidity into intelligence and intelligence into stupidity."

Wise man, two of Britain's leading psychologists, Professor Adrian Furnham, of University College London, and Professor Michael Argyle, of Oxford Brookes University, would say. Few people have better understood its power over us. Certainly, few people have ever tried to make sense of its role in the formation of our characters: what makes some people savers and other spenders; why some become bargain hunters and others fashion victims; and whether money can buy happiness or cause obsessive sadness.

"We know a great deal about the psychology of sex, selection of a partner and even singing, but little on the psychology of saving, shopping or spending. Whereas sex and death have been removed from the taboo lists in most western countries, money is still a topic that appears impolite to discuss and debate," say Professor Furnham and Professor Argyle in *The Psychology of Money*, which is published on Monday.

According to the professors, nowhere is this taboo more apparent than in Britain. Whatever problems we have with money, whether we are bargain hunters or gamblers, fashion victims or shopaholics, the difficulties in dealing with it are compounded by the fact that money is the unmentionable. Compare that with the way in which people willingly talk about sex, death, mental illness, religion, and other once-taboo subjects. Quiz them about their income or savings or their wealth and the shutters will come down. Yet money can stir powerful emotions.

The very rich eschew talking about their money in case the poor figure out how to get it for themselves or because friends and relatives might come round for a share of the pot. The wealthy fear envy and others are superstitious that talking about it means it could be lost. "Celebrities and ordinary mortals seem happier to talk about their sex lives and mental illnesses long before monetary status, salary or financial transactions," say the professors.

Humanity, according to the pair, can be divided into two on the subject of money: savers and spenders. Whereas savers, often seen as self-indulgent and capricious, live for the present, savers tend to be more optimistic. They postpone gratification by putting off consumption to some uncertain future date and receive a reward for doing so.

Whether we are a spender or a saver also has its origins in distant childhood. The crucial moment for the formation of

our attitude to money is around the age of two, when we strive to achieve independence and a sense of self-worth. Some equate spending with receiving affection and hence feel more inclined to spend when feeling insecure or in need of affection.

Parental reactions to defining moments may determine the most extreme obsessions with money. According to some theorists, the way in which a miser hoards money is symbolic of a child's refusal to give up something in the face of parental demands. Whereas the spendthrift recalls the approval and affection that came when they submitted to parental authority.

According to Profs Furnham and Argyle, our approach to money is shrouded in hypocrisy. "Many stress that you only get what you pay for, but spend hours trying to seek genuine bargains. Money is publicly disavowed, and privately sought after; and, simultaneously, is the most important quality in the world, but spoken of as having little value," they say.

Can it buy you happiness? Hundreds of new millionaires have been created through the National Lottery, and the craving for wealth is more apparent than ever in this country. Most - eight out of 10 - use the win to give up jobs and many move house. But research with pool winners found that 70 per cent gave up their work, only to regret losing job satisfaction and workmates. Some moved to a larger house and were rejected by snobbish neighbours and some quarrelled with family and friends who wanted a share. Some had an identity problem, with only one in three certain of which class they now belonged to. New wealth brings problems because it upsets routine, and changes the security of our surroundings.

"There is evidence that people are happier if they think they are doing better than other people, or than they did themselves previously. Other sources of happiness are much more important - leisure, job satisfaction, social relations and personality. Money has very little effect on these," say the authors.

How we behave with money is also affected by the messages about wealth we get from our parents. One piece of behavioural research reported in *The Psychology of Money* found children who had been told that only poor people went to heaven, or that only criminals were wealthy. But perhaps the most revealing was the contribution of one child, who told the researchers: "My parents said there was a secret to making money, but that no one in our family knew what it was."

The Psychology of Money by Adrian Furnham and Michael Argyle. Routledge, 14.99.



The Ghost of Christmas Past introduces Scrooge to the Devil, as seen by Arthur Rackham

Painting: MEPL

WHO'S WHO WHEN IT COMES TO CASH

The Bargain Hunter: Compulsively hunts for bargains even if they are not wanted because getting things for less makes them feel superior. The thrill is in outsmarting others.

The Spendthrift: Uncontrolled, particularly when depressed, feeling worthless and rejected. Seeks instant, but short-lived gratification that frequently leads to guilt.

The Miser: Scrooges have a terrible fear of losing funds, and tends to be distrustful. Refuses to accept own behaviour as niggardly.

The Tycoon: Seeks power, status and approval through money. The more they have, the more control they have over their world, and the happier they are.

The Gambler: Exhilarated and

optimistic in taking chances. Achieves sense of power when winning. Motives include stimulation or low self-esteem.

The Entrepreneur: Often non-conformist, rebellious, distrustful of authority; unwilling to work with others, and come from families where they were not appreciated or were from minority groups, giving them a great drive to succeed and establish a new identity.

Gay ship that cruised into stormy waters

THE BERTHING of a cruise ship in downtown Nassau is awesome to behold. Dwarfing the colonial architecture all around, these giant hulks disgorge whole new populations into the city streets. For the shops and bars and for the labyrinthine wharfside curio market it is an invasion gratefully received.

Just sometimes, however, a ship can expect a reception that is less warm. That was the fate of *Seabreeze* 1 on Monday. Chartered by a travel company in Miami specialising in cruises for gays, its passengers were all lesbians. About 300 Bahamians were waiting on the docksides with placards and chants demanding that the boat sail away. "No Gay Ships" read the signs.

Nothing else happened. The protesters were kept a good distance from the disembarking passengers, who were quickly ferried to a private island for their stay. But the incident has reawakened a controversy with multiple constituencies - policy-makers in the Caribbean islands for sure, but also anti- and pro-gay forces in the United States and even the Government in London.

The fire was set in January, when the Cayman Islands, which is a British Dependent Territory, turned away a Norwegian Cruise Line ship carrying gay men. In an inflammatory letter to the line, the Cayman tourist minister, Thomas Jefferson, wrote that: "Careful research and prior experience has led us to conclude that we cannot count on this group to uphold the standards of appropriate behaviour expected of visitors to the Cayman Islands."

The incident drew attention to a feature shared by most Caribbean islands, which, to many of us who love to visit them, may seem out of tune with the region's easy-going, sun-loving persona. Anti-sodomy laws are still on their books and homophobia is still a powerful emotion.

And it is true not just of the smaller islands. In March, the Village People, the 1970s band that evoked gay liberation with songs like *YMCA* and *Macho Man*, abruptly withdrew from a music festival in Jamaica after their impending presence stirred strong protests. Last year, 16 Jamaican inmates suspected to be homosexuals were killed during a prison riot after the government proposed distributing condoms to prisoners and guards to curb the spread of Aids.

In February, a request was lodged with the British Dependent Territories in the Caribbean, including the Cayman Islands, by the Foreign Secretary, Robin Cook, that they consider repealing their anti-sodomy laws. London said it was worried that they violated international human rights statutes. So far, the Cayman government has not responded. Anti-gay groups in the US were enraged, however. Most vocal has been the influential American Family Association, which has been at the forefront of the attempted and mostly ineffectual boycott of the Disney Company for its gay-friendly policies.

The Association has since bombarded the British Embassy in Washington with letters protesting at Mr Cook's initiative. Yesterday, Allen Wildmon, one of the Association's leaders, told *The Independent* that he was proposing to members that they show their disgust by boycotting Britain on their travels.

"Britain has a right to do whatever they want to do, but by the same token, if the Christian community in America don't want to spend their money in England or in the Bahamas then that's their right," Mr Wildmon asserted.

Mr Wildmon is not coy about what upsets him. With stunning bluntness, he continued: "You know, there is nothing normal about one man putting his penis in another man's colon. I mean let's tell it like it is."

As Kim Mills, spokeswoman for the pro-gay Human Rights Campaign in Washington DC, noted yesterday, the ineffectiveness of the boycott on Disney suggests that Britain's tourist industry need not panic. Nor need anyone be too distraught over what transpired in Nassau on Monday.

"What happened was that a small group of very intolerant people got together and made a lot of noise. But for the most part, the Bahamians are a reasonable and fair-minded people and this was not disturbing to most of those living on the islands," Ms Mills contended.

Yet, this is a story that is far from over. The travel companies specialising in gay holidays - and there are many in the US - are busily considering how to juggle destinations to avoid trouble. Meanwhile, pressure from Britain on its territories to reform their laws will not abate.

"We are absolutely determined that they [the laws] should not be in violation of the international conventions," an official at the British Embassy in Washington said yesterday. "Obviously, we would prefer the territories to make their own decisions internally, but we may consider doing it for them if we have to."

David Usborne

THE INDEPENDENT

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Sad side of the mother and child reunion

THEY are the mother and child reunions which give us those rare good-news headlines: Kate Adie and the mother who gave her away; Clare Short and the son she thought she'd lost; Joni Mitchell and the daughter she couldn't bring up alone while she struggled to make a living as a 19-year-old folk singer. But these stories of adoptions with happy endings are not so clear-cut after all. Pity the poor adoptive parents left on the sidelines as birth parent and long-lost offspring hug one another for the cameras.

Take the couple who raised Joni Mitchell's child, Kilauren Gibb. Meeting her mother, the darling of the Woodstock set, has been something of an emotional rollercoaster for the 33-year-old. This week it emerged that she has fallen out with adoptive parents, schoolteachers Ade and David Gibb, and her once-close relationship with her brother is strained.

Ariel Bruce, an independent social worker who has spent 14 years helping trace the families of adopted children, recognises these emotions. She says the secrecy surrounding adoption causes problems for many



Kilauren has fallen out with her adoptive parents since reuniting with her natural mother, Joni Mitchell (left)

adopting families. Before 1975, couples undertook to adopt children on the grounds that neither the child nor the birth parents would be able to track one another down. Then, in 1975, the Children Act enabled adopted people over the age of 18 to see their birth certificates and seek out their natural parents.

"This put adoptees' rights at the top of the agenda, which was the most important thing that could have happened, but it also changed the deal for their adopting parents, who had been told by adoption agencies the children were their own, with no strings attached," explains Miss Bruce. "In some

cases adoptees choose not to tell their adopting family they have found their natural parents because the conflict of interests would be too great. They end up keeping that side of their lives completely separate."

Jennifer, 50, understands the reason for that decision. Like television journalist Kate Adie, Jennifer (not her real name) decided not to search for her birth mother until after her adoptive mother had died. "I always knew I would try to find my real mother but not to the detriment of hurting my adoptive mother," she says. "Searching didn't mean I was unhappy, but I wanted to know about an-

other part of my life. My adoptive mother would have found it too painful and threatening."

In many ways, Jennifer felt part of the conspiracy of silence which surrounded adoption of yesterday. "There was huge secrecy and once the deed was done the whole thing was hidden for years," she says. "Even though I knew I was adopted, it was something we as a family rarely spoke about."

Since 1975, adoptions have fallen from 21,000 a year to 6,000, with just 322 baby adoptions. A recent report by the right-wing think tank, the Institute of Economic Affairs, claims the downturn in adoption is a result of the entrenched ideology of the absolute rights of biological parents.

For recent adoptees, counselling is available to help them through the stage of finding their parents. Yet, it can still be painful for everyone involved. Thirty years ago Mary (not her real name) prepared herself for the time when her

adopted son would want to search out his birth mother. "We were always ready for it and for us it was part of the adopting process," she says, "and in many ways we did a lot of the work tracing his natural parents, with both financial and emotional support."

"But I can understand why people are threatened, because they feel their child could somehow be taken away from them, even though that child is now an adult."

For Mary's son, the contact with his birth mother was far from successful. "I had this dream that we could all be friends," says Mary, "but that was not to be. My son has been deeply affected by the rejection of his natural mother."

Mary believes that adopting parents are often portrayed as the bad player in the adoption triangle. "People think of young girls being forced to give up their babies to waiting couples. Adopting parents are the ogres in the piece, who want to stop the two innocent parties from reuniting."

Nicole Veash

هكذا من الأسر

THE INDEPENDENT

EDITOR: ROSIE BOYCOTT. EDITOR IN CHIEF: ANDREW MARR
DEPUTY EDITOR: CHRIS BLACKHURST
ADDRESS: 1 CANADA SQUARE, CANARY WHARF, LONDON E14 3DL
TELEPHONE: 0171 293 2000 OR 0171 345 2000
FAX: 0171 293 2435 OR 0171 345 2435
THE INDEPENDENT ON THE INTERNET: WWW.INDEPENDENT.CO.UK

Now drug plague hits the poor

THERE IS more heroin on the streets of Britain than there has ever been. The authorities seized 1.747kg of this hard drug (with a value of more than £145m) last year – a tonne more than in 1996. The trade is, apparently, largely organised by Turkish gangs that have “flooded” the market and reduced the price dramatically. Wraps of heroin can be bought, retail, for as little as £2. That is the obvious supply-push reason why use has increased. But what about demand pull? Why do people use it in the first place – and can the law do anything to help them stop?

The film *Trainspotting* showed us that heroin users can be, sometimes at least, affable, charming even. But, unlike most of us, they are addicted to a rush described by one character in the movie as “superior to a thousand orgasms”. When even sex can’t compete we had all better watch out. “Heroin chic” is one of the modern faces of fashion. Its meretricious charms are all around us. Of course there have been epidemics of heroin use before. A previous generation of film-makers exploited the clichés of underground drug use in the late 1960s. “Chasing the dragon” caught up with us in the 1970s. But there was something self-limiting about those previous outbreaks. Then, like myxomatosis, this was a disease in one British species that could not be transmitted to others: it reached a natural limit and declined until the next wave. In short, it was a hobby of the rich. Today heroin is cheap and attacks the deprived, those liable to have least incentive to “grow out” of the problem like college kids: it compounds social problems and feeds crime on run-down estates. It threatens larger sections of our people more virulently than ever before.

Keith Hellawell, the Government’s “drugs Tsar”, says that 700 heroin addicts committed 70,000 crimes within three months to fund their habit. Researchers have claimed that the average heroin addict has to steal goods worth more than £43,000 each year to fund a modest daily habit. We are all in favour of being tough on those convicted of such offences. But we need also to understand where the cause lies.

Yesterday in this newspaper Oliver James argued persuasively about why violent crime soared in the years after 1987. Violence is caused by being male, young and from a low-income family. So is drug abuse. In 1979, 20 per cent of boys were raised in low-income families. By 1981 this had risen to 33 per cent and has stayed there ever since. Some of Thatcher’s children have grown up to be violent and some have grown up to be addicts.

These arguments hold for all hard drugs, and we see no case for relaxing the law, thereby admitting defeat; and a very good case for the Government to tackle urban deprivation ever more passionately.

The same arguments do not apply to all soft drugs, particularly cannabis. It would be foolish to pretend that cannabis presents the same kind of threat to people that cocaine and heroin do. We find it very odd that cannabis is classed in the same way as heroin. It is silly for MPs – of all people – to abdicate their responsibilities and be frightened of joining in the debate about drugs. But it does not follow that the time has come to decriminalise cannabis.

Why not? Above all, because the evidence is not clear or decisive. If it is the case that its heavy and sustained use is, on balance, not harmful, then no reasonable person would do other than set the people free and concentrate on licensing and regulatory questions. However, that weight of evidence does not yet exist; we suspect that the evidence will accumulate in the other direction. Comparisons with legal drugs, such as alcohol and tobacco, don’t seem persuasive to us: alcohol saturates our culture, in a way that cannabis and heroin do not. If tobacco was first discovered this week deep in some rainforest, and we quickly discovered how dangerous it is, would we allow it to be legally available? Is the wider availability of narcotics really a social good? And isn’t the law, in frowning on cannabis without being fiercely implemented, more like decent fudge than cynical hypocrisy?

These remarks may startle some readers who have watched and supported and marched with the campaign to decriminalise cannabis run by the *Independent on Sunday*. We admire its vigour and respect its integrity. We share its desire for a wider debate. For this newspaper, though, the onus rests with those who favour change and that case remains to be proved.

Labouring to be cool

NEW LABOUR’S Cool Britannia is willing. Rarely a week now passes without some prominent figure heaping public scorn on the concept. This week, Ben Elton, a stalwart Labour supporter, has attacked the Government’s plan to rebrand Britain as “gruesome”, adding: “Leaders should never try to look cool. That’s for dictators...” The country is collapsing under a pile of labels.

Mr Elton is the doyen of left-wing, fashionable comedians. His decision to go public with a critique of Cool Britannia is a clear sign that it is destined for the dustbin of rhetorical history. The whole business is turning into the Government’s biggest PR disaster so far.

The prime ministerial image consultants overplayed their hand by trying to hijack the concept of Cool in the first place. Real cool means not trying too hard and not caring what people think of you. Politicians, by definition, try hard and care passionately what we think of them. They can never achieve the devil-may-care insouciance of people like Wayne Hemingway, the designer, who condemned Tony Blair in this paper as “old at heart”.

Really savvy pop figures, like Jarvis Cocker of Pulp and Damon Albarn, the philosopher king behind Blur, avoided being co-opted into the rebranding process. They refused invitations to No 10 parties. Noel Gallagher rashly accepted – a decision which his spin-doctors must have bitterly regretted. Oasis’s once unassailable popularity has plummeted in the charts.

Once in power, the link between pop and politics frays. “What’s so great about being cool anyway?” asks Mr Elton. “Uncool people never hurt anybody.” In truth, the British are ambivalent about whole idea. They admire politicians, like Ken Clarke, John Prescott and Clare Short, who are happy to be themselves. New Labour should know its limits. Politicians can be admired or disliked, loved or loathed. What they can never be is cool.



Tatchell and the Church

I AM a Christian and an open and well-adjusted gay man. I have taken part in many protests to highlight injustices and to combat the homophobic prejudice and discrimination that still pervades our society. I feel that Peter Tatchell’s self-publicising stunt, disrupting the Archbishop of Canterbury’s Easter sermon, was contemptible.

The majority of organised religious faiths have, over the centuries, caused much suffering to homosexuals. The teachings of Christ have been twisted by bigots to be used as an armory of hatred against us. I firmly believe, however, that this is changing, albeit slowly. In both Anglican and Roman Catholic churches, a vast number of bishops, priests and their congregations show a great amount of understanding and tolerance towards homosexuality.

There is still much bigotry and the debates shall still rage. The issues of the ordination of openly gay priests and the church’s (and state’s) lack of recognition of same-sex unions arouse great passion on both sides of the argument. Certainly demonstrations against prejudice within our churches must continue, but at the right time and place.

Easter Sunday is the most revered festival in our calendar. Dr Carey’s sermon, as I understand it, was about the possible beginning of real peace in Northern Ireland. He was not making any statements about gay clergy or same-sex unions. Tatchell and his supporters’ timing of their demonstration was insulting and embarrassing to me as a gay man – irrespective of my religious beliefs. It was also insulting to those present who wished to celebrate the life, death and resurrection of a great fighter against social injustice, those who wished to celebrate the peace process in Ireland, and to those who quietly work within the church to change attitudes towards homosexuality.

Tatchell and OutRage! actually enjoy very little support among the majority of gay men and women in this country. Few gay people agreed with their previous actions of “outing” – attempting to expose men who chose to keep their sexuality private.

Jesus had a cross to bear, which he did in silent suffering. Tatchell loudly bears chips on both shoulders. More harm is done to the struggle for recognition of gay rights in this country by this man than any number of ill-formed religious bigots.
ANDY OAKER
Torquay, Devon

AS A former churchgoer, I really must applaud Peter Tatchell for confronting the Archbishop of Canterbury on Sunday. For far too long the Church leadership has forgotten the prime commandment to love thy neighbour, and now finds itself terminally entrenched in outmoded, small-minded, illiberal attitudes which died elsewhere in the 1950s. Regrettably, I believe that the current statement can be broken only by forcing Dr Carey and his colleagues to confront issues such as these.
GEOFF HENNESSY
Isleworth, Middlesex

Ulster’s opportunity

AS BEFORE, Unionist opponents of the Northern Ireland peace deal are quoted as saying they are British and want to stay British. Yet if you look around Europe, the qualities the British are known for are tolerance, the ability to laugh at themselves, an acute sense of irony, willingness to accept and implement negotiated agreements and above all, a commitment to democratic process. Do the Unionists recognise and cherish these qualities in themselves and will they work to sustain them as we try to on the “mainland”?

Undoubtedly, on a narrow interpretation, the Unionists have most to lose from the agreement as their 60-year stalemated hegemony departs. But the opportunity they and all Ulster are being offered is the chance to stop fighting over pieces of the same historic cake and to co-operate in sharing out a much larger

cake, which, thanks to the EU, US, UK and peace itself can provide everyone with more: more jobs, more prosperity, more infrastructure, more future. Why settle for less when you can have more?
NICK RUSSELL
London, NW5

Electronic spies

I’M AFRAID your correspondent in Paris, John Lichfield, has been rather led astray by the report in France’s answer to the *Daily Mail*, *Le Figaro* (“Britain accused of spying on its EU neighbours”, 11 April).

The so-called leaked report, entitled “An Assessment of the Technologies of Political Control”, was commissioned about two years ago by the European Parliament’s Civil Liberties and Internal Affairs Committee. In one hundred pages it looks at the problems of the export from the European Union of weapons of torture, at the use by the Chinese, among others, of neutral technologies such as traffic management systems to monitor dissidents in Tiananmen Square and at global electronic surveillance. The last topic constitutes less than 5 per cent of the report.

John Lichfield’s description of the system is essentially correct. However the report is hardly new. It was completed in April 1997 and presented to the Parliament’s Scientific and Technological Options Assessment Group, of which I am a member, in December and to the Civil Liberties Committee in January. That Committee voted for a more detailed follow-up report. This is in the process of being commissioned.

It does contain allegations as to the illegitimate use for commercial purposes of some of the collateral information collected by the United States. It does not even claim the same is true of the United Kingdom, let alone prove it. Why this rogue story should surface again after going

through a process of Chinese whispers seems more a reflection on internal battles for influence within the EU than any real concern for Britain’s historical Atlantic relationship.
GLYN FORD MEP
(Greater Manchester East, Lab)
Mossley, Lancashire

No review of Trident

NEITHER Sir James Eberle’s open letter to the Secretary of State for Defence (Comment, 8 April) nor George Robertson’s reply (Letters, 9 April) made any mention of the prospective role for nuclear weapons following the release of the much-heralded Strategic Defence Review.

It is simply illogical to state that the review has been foreign policy-led and that “our forces must be structured to enable them to meet the challenges of today’s and tomorrow’s world – not the Cold War world of yesterday”, having ring-fenced Trident as our “strategic deterrent for the foreseeable future”.

From my reading of the present situation it does look as if this has been a truly strategic review of conventional force capability matched to the reality of international stability, unlike “Options for Change” and “Front Line First” under the previous administration. Why then has George Robertson been so ready to mouth Malcolm Rifkind’s words about “threatening rogue states with sub-strategic nuclear weapons in defence of British interests outside Europe”?

And why has this government been just as obstructive as it predecessor over attempts to get discussions started at international conferences in New York and Geneva on the worldwide elimination of nuclear weapons?

DAVE KNIGHT
Chair, Campaign for Nuclear Disarmament
London N7

By river to the Dr

I AM GLAD a supreme court appointed to ensure that able to visit the Millenium safely and without unhope he realises that through central London es Greenwich. Your April) makes no me Thames.

The river is cross railway bridges. Two o become relevant to port. One is used by lim fic between Clapham : the main line to B. Crewe and the North, is used by Thameslin, from the Midland Main south coast. Were b bridges given rail and ri change facilities, and used between such places as M. ter and Southampton, or Le. Brighton, the river would long way to solving access prot to Greenwich. This is in additi using the Thames as a route tween central London and Gre. wich.

Using the river in this w would enable visitors from the Midlands and the North of England to arrive at the Dome without using existing tube and bus services. The river is an enjoyable and relaxing experience in its own right. The Millennium experience may well become the means for making the Thames, once again, a major traffic artery.
FR DONALD BIRD
Borth-y-Gest, Gwynedd

Easter excess

TO AMERICANS, Easter Monday is simply “the day after Easter”, just as Boxing Day is “the day after Christmas”. It’s something I could happily live with, in return for an extended summer break (leading article, 13 April; letter, 14 April). Shrinking the Easter weekend may not prevent its transformation into the People’s Chocolate Holiday, but it should certainly improve the TV schedules.
NICK SWEENEY
Oxford

On board this Titanic the only ice is in the cocktails



MILES KINGDON

WITH Noel Coward and the *Titanic* both so much in the news, I am amazed that nobody has bothered to revive the only play which Noel Coward ever set aboard the *Titanic*. It is, of course, the comedy *Brief T.ikes*. Here, to remind you, is a brief extract from this forgotten work by the Master.

The scene is the first-class deck of the “Titanic”. Two deck chairs are occupied by Maxim and Chloe, a married couple.
Maxim: Chloe?
Chloe: Yes, darling?
Maxim: Are you warm enough?
Chloe: Of course. Why do you ask?
Maxim: I feel I ought to look after you. That is what a husband should do.
Chloe: Yes, that is true. On the other hand, my husband is not here.
Maxim: Chloe! Must you keep reminding me that you were married before? In any case, your first husband is dead now.

Chloe: Well, we don’t know that for sure. All we know is that Albert went off on a polar expedition to look for magnetic North and never came back. He is presumed dead. That is not the same thing as being dead.
Maxim: Very nearly. The sun is presumed to be rising again tomorrow. I think that is the same thing as actually rising tomorrow.
Chloe: Because it was there and because nobody had ever seen it.
Maxim: One might as well go looking for Huddersfield. One knows it is there, but that is no reason.
Chloe: Many people have seen Huddersfield.
Maxim: Not anyone one knows, thank God.
Chloe: Are you always this brittle on your honeymoon?
Maxim: I don’t know. This is only my second honeymoon, after all. Perhaps one mellow after the third or fourth.

Chloe: Do you intend to be married to other people after me?
Maxim: That depends on whether you intend to wrap up warmly or not. I am going to our cabin to get a garment which will stop you catching your death of cold.
Chloe: Don’t be long, dear.
Maxim leaves. Another man enters and sits in a vacant deck chair on the other side of Chloe.
Man: Is this deck chair taken?
Chloe: If he were not dead, I would say that that was the voice of my late husband, Albert.
Man: Chloe!
Chloe: Albert! ... No, it is not taken. Do sit down.
Albert: Is that all you have to say to me? After all these years? “Do sit down”?
Chloe: I rather thought it was up to you to say something. You are presumed dead. You might have got in touch to say you were alive.
Albert: There are not many telegraph offices

or post boxes at the North Pole.
Chloe: I suppose so ... Did you find magnetic North?
Albert: Yes. At least, I think so. My compass had a small nervous breakdown and didn’t know where to point, so I assumed I had reached magnetic North.
In the distance the ship’s band starts playing.
Chloe: And how was the North Pole?
Albert: Very potent. He listens to the music for a moment. The band is playing out of tune. How flat, cheap music is ...
Maxim comes back with a warm wrap.
Maxim: Here it is. Put it on, dear. There is a definite chill in the air.
Albert: You are right. I can smell ice. I am never wrong about that.
Maxim: Chloe, have you been talking to strangers while I was away?
Chloe: No, dear. This is no stranger. This is Albert, the other husband about whom I have often spoken. Albert, this is Maxim, to whom

I am now married.
Maxim: Albert? So you are not as dead as you are presumed?
Albert: No. On the other hand, you are not as married as you presumed you were.
Maxim: You may be right about that. A slight pause. What do you mean about being able to smell ice?
Albert: If I did not know better, I would say there was an iceberg in the offing. We polar explorers acquire a very keen sense of smell.
Maxim: I can understand that. In the long polar evenings there cannot be much else to do except stand and sniff. Polar bears seem to spend most of their time wrinking their noses.
Chloe: Maxim, are you making fun of Albert?
Maxim: I? Make fun of the only other person whose marriage proposal you have taken seriously? Heaven forbid!

More of this tomorrow, I fear.

هكذا من الأرحل

Into the final furlong and it's Blair and Ahern neck and neck



RORY BREMNER'S DIARY

EACH Spring brings new promise. For me, this year, anticipation of the cricket season to come – packed houses at Lord's, the tens at Canterbury during cricket week, me getting out cheaply to a straight one from Bill Giles – is joined by a new enthusiasm: racing. Having started out last year as an apprentice owner to Lady Herries, I can now look forward to each landmark in the racing calendar with new excitement.

Forgive me if you are a racing fan, but if you're not, let me tell you what the excitement is about. The Derby starts here. For this very week, out of the yards of the great trainers – Henry Cecil, Michael Stoute, John Dunlop – will emerge the three-year-old colts who will make history, know triumph or disaster, make fortunes or break hearts before the year is out.

Just have a quick look in the paper when the runners are announced for the Craven Stakes at Newmarket on Thursday and the Greenham at Newbury on Saturday: mark the names, catch the races if you can, watch the great horses go on to the Guinness at Newmarket next month – the classic Derby trial. You may still end up losing money on Derby Day, but you'll at least know what the fuss is about. And the top horses – Xaar, Daggery Drawn, whatever – will be like old friends to you and the bank manager.

One of the great evenings of my fledgling racing life took place in a restaurant in Cape Town in January. Having tried to impress Lester Figgitt with a pathetic trick involving a one-rupee coin (which Lester immediately pocketed, I might add), I asked him to talk me through the Derby course. It divides into three, he said – climb, turn steeply downhill, straight – and he was usually fifth coming into the final four furlongs.

The rest of the detail has faded, along with whatever wine was drunk that evening, but the man remains a legend, not least for the sublime moment when the Inland Revenue realised that his cheque to clear all his outstanding tax liabilities was drawn on an account they knew nothing about.

Sometimes, I daren't sneeze in the street in case an eager researcher spots me and asks if I can take part in a series/celebrity test/fund-raising evening for hay-fever sufferers. Not that it's something to be sniffed at. Indeed, the revelation in an interview that I go to the opera has led to a couple of really enjoyable projects, and, recently, to a Gala meeting/demo featuring artists from the Royal Opera and English National Opera. I went

along to listen and to agree with anything that the great Dr Jonathan Miller might say. I wasn't disappointed. He likened the feared merger of the two opera companies to a crass decision to combine Euston station, north of the Thames, with Waterloo, south of the river. "We'll cross that bridge when we come to it."

To refuse adequate subsidy to opera on the grounds of its perceived elitism is simply lazy thinking. If opera is elitist, it is because it now has to charge such high prices that only the rich can afford it. Better funding, and therefore lower prices, would make the opera once again accessible instead of exclusive: a People's Opera, in fact. For, without opera you could not enjoy the ultimate combination of drama, music and technical virtuosity; without opera you could not market a football tournament in Italy; and without opera you probably wouldn't be able to advertise the new Vauxhall Vectra 2.3i.

This week, we've been grappling with the blanching that is New Labour for a programme to mark the end of its first year. John Bird and John Fortune, I can promise, are on vintage form.

I must say, I share Ben Elton's reservations about "Cool Britannia". It was always an odd concept: the idea that John Major thought of it first even odder. It simply doesn't help that Tony Blair looks like a primary-school teacher and John Prescott dances like your dad. I almost prefer the court of King Gordon, where last week such cool icons as George Robertson and Craig Brown, the Scottish football coach – men who know a meat pie when they see one – were greeted at No 11 by the Chancellor saying: "You'll have had your tea?"

Move over Britannia, make way for "Cooledonia", where the pizzas are deep-fried, Im Bru is the drink of choice and Caffe Latte still runs the corner shop.

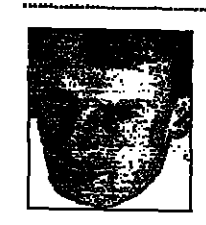
But the achievement in Ireland last week does permit the Government a rekindled spirit of euphoria before we return to the more important matters of sleaze and wallpaper and the Cooles, as we must now learn to call them.

Although you could argue that none of this would have been possible without the initial courageous efforts of John Major, and that Ireland's economic growth (apparently now greater year-on-year than Malaysia and China's put together at their peak) make a deal imperative, I think you'd have to be very dull of soul not to be encouraged at what has been achieved. There are many other areas where the Government can be questioned, ridiculed and satirised, but Northern Ireland isn't one of them.

To look only for the downside, the cynical angle, whatever the issue, would be to believe in nothing at all. The Good Friday agreement is (like so much of Blair's agenda, like it or not), a leap of faith: in this case, a triumph of courage over bigotry and despair. Of the future over the past, we must hope – if only so we may be spared the sight of Ian Paisley yelling: "The Future's Bright. The Future's Orange." The fear is, he may yet trade that for: "Do not go gentle into that good night/Rage, rage against the dying of the light."

I don't know if Irish Premier Bertie Ahern is being as fêted in Ireland as Blair is here. At least our man didn't have to return with a picture saying: "I went to Stormont and all I got was this lousy Taoiseach." The Irish themselves have one of those great expressions for Ahern, as one of his countrymen told me last week: "Sure, he's one of those people, if you didn't know who he was, you wouldn't know who he was..." They do now.

Scotland's Parliament must deliver before demanding more power



ANDREW MARR
ON REMAKING
BRITAIN

A STORM is quietly brewing in the north. Though Belfast continues to be the immediate focus of Labour's political re-making of the UK, Scottish politics is also starting to rumble. Last weekend, a year ahead of the first elections for the Edinburgh Parliament, the latest in a run of bad polls for the Government suggested the Scottish Nationalists could triumph.

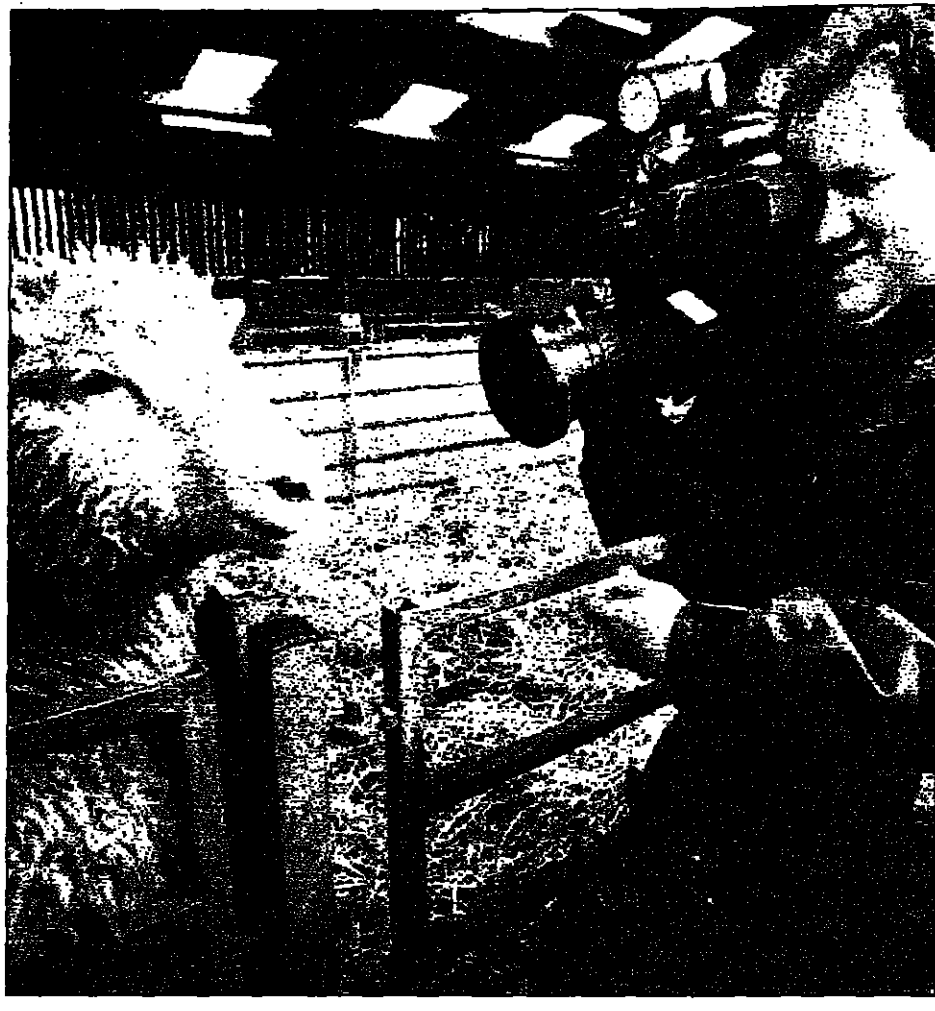
Well, it was just another poll – as the Chancellor, Gordon Brown, was quickly briefing, in support of his friend and close colleague Donald Dewar. The Scottish Labour Party is a little rattled, nevertheless. Now that the new parliament is certain to be established, minds are turning, anxiously or gleefully, to the new politics that may crash and thunder around it.

Will it lead to separation? Or if it doesn't, will it lead to a southern backlash and, therefore, a fall in Scottish public spending – so that voters turn from its failed promises with a disappointed shrug? Is Scotland facing a nationalist bang or a post-political whimper?

The bang-merchants of the SNP have been eyeing the limited powers of the Scottish Parliament's powers, and rubbing their hands – there's plenty of scope for trouble there. And at the other end of the country, possible runners for the London mayor race, notably this paper's columnist Trevor Phillips, have been raising the heat on Scottish public spending, arguing that up to £2bn of it must "come back" to the UK capital.

Is this the new politics – competitive populism? Optimists, and I'm one, have some questions to answer. It is certainly true that the Edinburgh Parliament will lack authority over a wide and occasionally baffling list of issues. Suppose, as the EU evolves, the Scottish Parliament wishes to create special links with Catalonia, or Denmark? Under the legislation, it can't. Almost all international dealing is reserved for Westminster.

Suppose, after an impassioned debate about the drugs problem in the estates of the Scottish central belt, it wanted to relax the cannabis laws? It



Scotland wouldn't have the powers to make another Dolly

Jeremy Sutton-Hibbert

isn't allowed to – drugs law stays south. Nor could it have gone further on a firearms ban after Dunblane than the Commons did. It could speak and vote, but it couldn't act.

Is waters include the Faslane Trident base – but, of course, it cannot get into anti-nuclear stuff. They also support a fishing fleet struggling for survival and much of the offshore oil industry, but health and safety issues on boats and rigs will be outside Edinburgh's control. BBC Scotland is developing a distinctive profile, but it remains a Westminster-only matter, as does the regulation of broadcasting in Scotland generally. (Newspapers, however, can be affected by the new MSPs.)

Dolly the Sheep is famously an Edinburgh girl; but the Edinburgh Parliament isn't allowed to legislate on anything touching human genetics, xenotransplantation or scientific procedures on live animals. Scotland thinks of itself as a more egalitarian and radical society than England but its parliament cannot change laws on trade unions, equal opportunities or discrimination. And if, on the other hand, a Scot is worthy of some honour, that nation's parliament cannot award one – the "award of dignities and titles of honour" is like the rest of my list, reserved to Westminster in schedule 5 of the Scotland Bill.

I could have produced an almost equally impressive list of

things the new Parliament can get involved in – health, schools, universities, prisons, housing, planning, tourism, trade promotion, food standards, the environment, forestry, drink licensing, sport and the arts among them. But for nationalists, it will be the restrictions, not the freedoms, that are the use-

For nationalists the restrictions, not freedoms, will be the useful ammunition

ful ammunition – and given how many currently politically sensitive issues (rights, trade unions, defence, broadcasting) are to be kept for Westminster, it is not hard to envisage them using it.

The first years of the new body's lifetime – from 1999 to, say, the second election in 2002 – will be rocky. Scottish voters will use the SNP as a handy weapon to beat Labour with, particularly since Labour are in power down south.

There will be challenges to the Parliament's powers by a strong SNP group and perhaps some redrawing of the boundaries. Just as with the

Commons, some local idiots will have been elected and will gain disproportionate publicity.

The Scottish Labour Party, whose candidates are already being asked to sign a "thus far and no further" loyalty pledge on the new Parliament's powers, will nevertheless argue about whether they should engage in a patriotic competition with the SNP.

It will require all of the skills of cabinet heavyweights – above all Gordon Brown, who has a formidable personal power base in Scotland – to dissuade them. The Scottish media will be ungrateful and unfriendly. The *Daily Record* and *Sunday Mail* are in the hands of a talented young Englishman of right-wing views. The *Scotsman*, traditionally a devolutionist paper, is now being driven by Unionism and Nationalism working hand-in-hand against Labour.

At the same time, in England, an alternative and ill-considered populism will be piling pressure on Scottish expenditure. Rancorous calls to rein in the Scots and cut their cash will echo from Carlisle to Dover – even though England gains hugely from the Union, too. Why, you may ask, is Tony

Blair putting up with all this? He is, in so many respects, a cautious politician, opposed to change for the sake of change and contemptuous of chattering-class agendas.

Part of the answer, of course, is that the Scottish Labour Party and much of civic society demanded devolution and was too powerful to resist, particularly after the trauma of its leader's sudden death. Had Blair tried a U-turn then he would have found that Hamlet's father had nothing on the Ghost of John Smith.

More important, though, is that Blair understood that the old order couldn't stand. Scottish voters plumped heavily for new Parliament. Nationalism would have become more dangerous with a continued London veto than it now is.

But Blair is also, I hope, a long-termist – or at least a medium-termist. Political reform is a profound thing, and takes time to root. Scottish politics needs to grow up and away from London-bashing; it needs the mistakes, rows and embarrassments to come as the first parliament struggles through a difficult adolescence and comes to terms with real responsibility.

Then, the second lot of elections will produce better candidates and wiser ideas than the first. Faced with the realities of choosing a separate Scottish defence force or a social security system, and of refusing the British subsidy, Scottish voters are unlikely to choose independence. They are going to become more informed and alert about educational and health questions, and shrewder about the financial promises of Scottish parties.

The SNP is going to find that voters want to see the Edinburgh Parliament improving their country, before they want it to be still stronger. Even with as strong a leader as Alex Salmond, they will become Scotland's SDLP, working within a UK framework, not Scotland's Sinn Féin.

Like so much Easter weather, the storm from the north is something to be gone through. It is an unavoidable part of the remaking of British politics that we need – partly because it will reintroduce uncertainty, passion and a little danger into what had become a cynical and elderly democracy. On that conviction rest Labour's credentials as a party of political reform. Gladstone, never one to avoid a passing squall, would have understood.

Revolution can make the rising sun shine



HAMISH MCRAE
ON JAPAN'S
FINANCIAL
FUTURE

IS JAPAN on the edge of a revolution? It is a strange thought for the most conservative of the large industrial nations. But bear with me.

Today the Group of Seven finance ministers meet in Washington for a twice-yearly meeting at the IMF to talk about the state of the world economy. Their main preoccupation will be the fact that the second largest of the countries there – Japan – is heading back into recession, and there will be pressure on the Japanese authorities to "do more", whatever that means, to try and stop this. The Japanese, for their part, will say that they have done enough. So there will be a row.

The reaction of many people to this will be "so what?" Politicians always seem to be having rows, and in any case the economic stagnation in Japan does not seem to have affected either North America or Europe. Of the other six members of the G7, the US, Canada and the UK have continued to bound onwards, while Germany, France and Italy are this year, at last, starting to generate some growth.

Some people may go further and relish the fact that the Japanese model which we were told we had to emulate – with its high personal savings, heavy investment in state-financed infrastructure projects, heavily controlled financial markets

and a cosy relationship between banks and industry – does not seem to be so wonderful after all.

That response is understandable, but it is wrong. It is wrong for three reasons. For a start the Japanese economy is still on many measures the second largest in the world after the US (on some, it is the third, after China too) and Japan is the world's largest creditor nation. Instability there is a threat to the rest of us, even if that threat at present has yet to manifest itself.

It is wrong too because what has gone wrong in Japan could happen elsewhere in the developed world in the not-too-distant future. Japan is experiencing the depressing effects of deflation – a period of falling prices – from which it has been unable to escape.

Outsiders have told Japan to cut interest rates, and Japan has done that. Since December 1995 the Japanese discount rate has been half a per cent. Yes, half of one per cent. But that has done nothing to boost the economy. I suppose they could cut it to a quarter of one per cent, or an eighth, but I don't think anyone would expect that to have any effect.

If monetary policy no longer works, what about fiscal policy? Outsiders are now telling Japan to boost demand by running a bigger government deficit. Expect some more of this in

Washington today. But that does not make much sense either. The Japanese have had a whole string of fiscal packages in the last six months – I have counted six and I may have missed one – but nothing has happened. The fiscal deficit is now about six per cent of GDP, which is higher than it was in the UK at the bottom of the last recession. If a deficit of six per cent of GDP does not work, why should anyone believe that one of seven, eight or nine per cent would? The Japanese government can cut taxes, but most Japanese people will simply save the money they get back, and they will save it because they are terrified of the future.

That response may seem a million miles from the robust attitude of British or American families when we feel a bit richer we go out and spend the cash. But were the uncertainty evident in Japan to be transferred here, we would become cautious too. Just suppose that early 1990s recession had gone on for another couple of years. House prices had continued to fall; unemployment had continued to mount. Do you think a few tax cuts would have encouraged us to go out and buy BMWs? No, we would have saved the money too.

No, I am not saying that this is what will happen to the whole world economy in a few years' time. But as the world

moves from one of inflation to one of deflation, as I think it will over the next 25 years, there is a danger that the rest of us may catch the Japanese disease. It is, to put it at its lowest, a clear possibility, and for that reason alone we should concern ourselves with what is happening there.

There is a third reason why Japan matters: something is stirring there which may herald a revolution analogous to the Thatcher revolution here.

To understand this, look at the parallel with the UK in the middle 1970s. Britain had been run by consensus since the war, with ideas dominated by, to put it pejoratively, a wet liberal, corporatist elite. That elite was overthrown. Japan has been run since the middle 1950s by a similar consensus. Their model is both rather different and seems to have worked rather better than ours, but it too has hit the buffers.

Now, as in Britain in the 1970s, a group of mostly young revolutionaries is making its views felt, calling for the same sort of market-driven changes that took place in the UK. Their argument is that neither fiscal nor monetary policy will revive the economy but structural reforms will: getting rid of unnecessary regulation, freeing financial markets, stopping the often corrupt government contracts, cutting taxes, and so on.

Meanwhile the mainstream

politicians – like the Callaghan government – are sitting like rabbits in the headlights of a car, afraid to move until they are absolutely forced to do so. Much of the rest of the elite is frightened too, either asserting that all is well and keeping heads down, or when directly fingered, bursting into tears on television and resigning.

The revolutionaries do not yet have critical mass. Only occasionally does a senior figure in the business world attack the mainstream politicians, as did the head of Sony two weeks ago, and political support for reform is at best patchy, and at worst non-existent. But the country is a-stirring, and the deeper the recession this year the greater the pressure for change.

There is a further lesson here for us. It is that no economic model, however successful it appears, will carry on delivering the goods. The way we earn our livings, the jobs we do, the way companies are organised, the way government organises its own activities, all are in constant flux and will continue to be in flux. The pace will increase.

So we have to keep examining how we organise our economy and pondering how we might do it better. That message is as important for us here, now we have our tails up, as it is for the Japanese, now they have their tails down.

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Deutsche Bank under fire from Gazprom

By Lea Paterson

DEUTSCHE BANK, the German financial giant, has become embroiled in an embarrassing confrontation with one of its main clients, Gazprom, the world's largest gas company, said yesterday it had "serious concerns" about securities al-

legedly being offered for sale by Deutsche's investment banking arm, Deutsche Morgan Grenfell (DMG).

The Russian gas company said it was concerned that DMG could be violating tough government rules on foreign ownership of Gazprom shares.

Last May, the Russian government tightened up the laws on foreign own-

ership in an attempt to help Gazprom maintain two markets for its shares - one in Russia, and one abroad.

The company said it had requested "all relevant documents" from DMG, and was also seeking the advice of the Federal Commission on Capital Markets.

DMG has denied allegations contained in a statement by Gazprom,

saying the bank "is not currently issuing nor is planning to issue any derivative securities based on Gazprom shares".

However, although it may not be issuing new derivative securities based on Gazprom shares, DMG does trade existing derivative securities. Those offer DMG customers a cost-effective way of owning Gazprom

shares and were issued two years ago, well before May's new rules. As such, they are understood to be fully compatible with Russian law.

Deutsche Bank is currently co-leading a \$200m syndicated loan for the Gazprom.

Some sector watchers were yesterday predicting the row could derail Deutsche's relationship with

Gazprom. Others, however, were more sceptical, attributing the dispute to "politicising" within the industry.

Gazprom has recently tried out several of the large US investment houses. Last year, it unceremoniously dropped Goldman Sachs, the US bank, and ABN Amro of Holland, after press leaks reportedly shook the company's confidence in the banks.

Bank shares take off after mega-mergers

By David Osborne in New York and Lea Paterson

BANKING shares on both sides of the Atlantic yesterday headed for new heights as investors began to speculate on which other banks were likely to join forces in the wake of Monday's mega-mergers in the industry.

On this side of the Atlantic, investors' targets included Lloyds TSB and Standard Chartered in the UK, Dresdner Bank in Germany and Credit Suisse in Switzerland, despite warnings from analysts that Europe was unlikely to see mergers on the scale of those in the US.

A buoyant UK banking sector helped lift the FTSE 100 index by 45 points to a record high of 6,150.5 at one point yesterday. However, by the close of trading, profit-taking had knocked the FTSE back to 6,104.1, down 1.4 points on the day.

Back in the US, although most of the bank stock gains were posted on Monday in the immediate wake of merger announcements, some shares continued to climb yesterday. Most notable among them was Minneapolis-based KeyCorp, whose shares rose \$3.1875 to \$43.5625 by the middle of the day.

Unlike many of their European colleagues, analysts in the US were agreed that Monday's double cannon shot, with mergers announced between BankAmerica and NationsBank and Banc One Corp, should spur further consolidation in the sector.

"I don't think this signals the end of the whole consolidation of the banking industry," said Hugh Johnson, chief investment officer at First Albany in New York. "It's clearly being driven by the need for every bank, national and international, to position itself."

Highlighting the stellar fortunes of most in the industry thanks to low interest rates and soaring stock markets, First Union, which like NationsBank is based in Charlotte, North Carolina, reported stronger-than-expected results yesterday. It is widely considered to be under pressure to find a new partner to broaden its financial base and its geographic coverage.

Brokerage firms also unveiled spectacular earnings yesterday. Announcing first-quarter figures, Merrill Lynch, Donaldson Lufkin & Jenrette, and PaineWebber all beat Wall Street estimates by comfortable margins. Merrill Lynch posted record revenues for the quarter of \$4.6bn.

However JP Morgan, another potential merger candidate, yesterday unveiled mixed results. First-quarter earnings came in ahead of estimates, with underlying net income up 35 per cent. But restructuring charges meant overall profits fell sharply.

Favourite candidates for the next US banking merger included KeyCorp and US Bancorp., although a popular alternative scenario put US Bancorp in the arms of Wells Fargo. While the former has a

convincing hold on the northern tier of the US, Wells Fargo is still a dominant bank in California.

Speculation also centred on Chase Manhattan which, after its 1996 combination with Chemical Bank, would already rate as America's third largest bank after Citigroup - the combined Citicorp and Travelers Group - and the joined BankAmerica and NationsBank. Analysts expect Chase to try one more merger of its own.

Not everyone in the US is cheering the bank merger mania. "We've seen a real epidemic of mergers," said Ariel Specter, a Pennsylvania Representative. "I am sceptical about the public interest being served."

"Bigger banks means bigger fees," said Edmund Mierzwinski of the US Public Interest Research Group. "Studies have confirmed that bigger banks use monopoly muscle to charge their customers higher fees."

Meanwhile, the US securities watchdog slapped a \$1m fine on Morgan Stanley Dean Witter for manipulating the price of 10 securities in the Nasdaq 100 Index back in 1995.

The National Association of Securities Dealers has sanctioned seven Morgan Stanley traders, including the firm's then over-the-counter desk head trader.

The former head trader was suspended from the brokerage industry for 90 days and fined \$100,000. The other six traders were each suspended for 30 days and fined \$25,000.

Outlook, page 21



A burden for insurers too: A elderly victim of the flooding is carried to safety

Northants Press Agency

Rising workloads leave City firms feeling more positive

By Lea Paterson

BUSINESS is booming in the Square Mile with the City enjoying a sharp upturn in activity over the last three months, according to the survey by the Confederation of British Industry (CBI) in conjunction with Cooper & Lybrand, the accountants. The rise in volumes of work has also led to a shortage of skilled staff.

A balance of 37 per cent of companies said business volumes had increased over the last quarter, the highest percentage since June last year. This upturn has put a smile on the faces of City bankers, with the survey showing confidence levels rising for the first time since last summer.

"It's almost like Asia didn't happen", David Sayer, a partner in Cooper & Lybrand's financial services division, said.

The turnaround in prospects has intensified competition for professional staff, especially in the fund management industry, where 71 per cent expressed concern about skill shortages.

The results of yesterday's survey are markedly different from those announced three months ago. In January, a balance of just 5 per cent of companies reported an increase in business volumes, and a balance of 9 per cent of companies said they were negative about the business outlook. In yesterday's survey, a balance of 18 per cent said they were positive about the business outlook.

Sudhir Junankar, the CBI's associate director of economic analysis, said: "The recovery in business optimism... in part reflects less concern among financial services companies that demand conditions will hamper prospects. However, the pressure from domestic competition is intensifying and seems set to restrain the ability of firms to boost profits growth."

One of the most marked changes in outlook was in the banking sector, with a balance of 23 per cent of respondents upbeat about prospects. Last quarter, 25 per cent of banks surveyed were gloomy about the business outlook. A record 88 per cent of securities respondents also said business volumes had risen over the last quarter.

Floods may wash £75m off profits, Royal says

By Terry Macalister

ROYAL Sun Alliance, one of the UK's leading insurers, yesterday admitted that the floods which wreaked havoc in the Midlands over Easter could knock £75m off its profits this year.

The stocks of nearly all big insurers fell yesterday as the stock market reacted to estimates that claims could total £1.2bn. Royal's shares fell 11.5p to 771p. Commercial Union, Guardian Royal and General Accident were among other large insurers whose share prices slumped.

Royal Sun Alliance accepted it was in the front line for claims from flooded householders as it has the biggest market share in

such business. There will also be claims from car owners, hoteliers and farmers.

John Kehoe, Royal's household manager, believed that the overall tally of claims could reach £700m but said it was hard to predict the exact financial impact on the company.

A spokeswoman added: "It takes time for goods to dry out properly and so we will not know the exact level of claims for some time yet. But £75m might be a reasonable guesstimate [for Royal's share]."

Some analysts believed the Royal claims figure could be closer to £100m. But the insurance group said that any claims over £75m would be met by a reinsurance contract it has.

Direct Line, a part of the roy-

al Bank of Scotland, said insurance companies were there to deal with problems such as the floods. "It's bad, but it's a manageable event," said a spokesman.

The Association of British Insurers believed the floods could cost the industry up to £500m. But Jeffrey Salmon, chairman of Salmon Assessors, claimed the final bill could be greater than the £1.2bn paid out after the 1987 hurricane.

The flood claims have not come at a good time for an industry which has grown used to relatively low level of payouts to cover natural disasters and is facing a fall in premium income.

City analysts have already forecast that Royal's 1998 profits would fall to £340m this year,

compared to £380m last year because increased competition has led to a tightening of insurance rates.

Shares in Commercial Union, awaiting permission to merge with rival General Accident, were one of the hardest hit on the stock market yesterday. They fell 15p to 126.5p although analysts said the group received most of its profits from life assurance and European business and therefore should be little hit by floods.

Lloyd's, of London, confirmed that it held a series of reinsurance contracts. A spokesman said of the flooding: "It will have some impact but until some of the primary claims are in its too early to say what effect it will have on us."

STOCK MARKETS

Indices	Close	Change	Change%	52 wk high	52 wk low	Yield%
FTSE 100	6104.10	-1.40	-0.02	6134.90	4231.60	3.29
FTSE 250	5541.80	12.50	0.23	5562.80	4364.20	2.99
FTSE 350	2921.00	0.60	0.02	2934.00	2085.50	3.24
FTSE All Share	2844.98	0.73	0.03	2856.89	2070.00	3.22
FTSE SmallCap	2636.30	2.00	0.08	2641.40	2182.10	2.89
FTSE RealIndex	1411.90	1.60	0.11	1416.30	1226.20	3.25
FTSE AIM	1063.30	0.10	0.01	1098.70	965.90	1.06
Dow Jones	8050.27	75.48	0.94	8064.78	6568.78	1.54
Nikkei	18277.35	-40.50	-0.22	20610.75	14488.21	0.93
Hang Seng	11420.34	78.33	0.69	18830.31	7908.13	2.48
Dax	5374.78	57.56	1.08	5357.05	3268.56	1.51

INTEREST RATES

Short sterling	UK 10 year gilt	US long bond
0.02	5.74	5.67
0.01	5.74	5.67
0.01	5.74	5.67
0.01	5.74	5.67
0.01	5.74	5.67
0.01	5.74	5.67
0.01	5.74	5.67
0.01	5.74	5.67
0.01	5.74	5.67
0.01	5.74	5.67

CURRENCIES

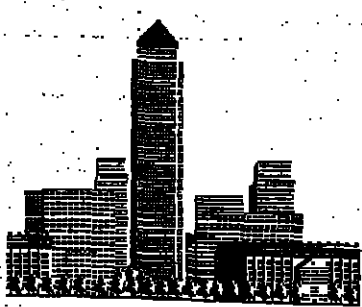
£/€	DM/£	¥/£
1.6840	1.6264	162.64
1.6840	1.6264	162.64
1.6840	1.6264	162.64
1.6840	1.6264	162.64
1.6840	1.6264	162.64
1.6840	1.6264	162.64
1.6840	1.6264	162.64
1.6840	1.6264	162.64
1.6840	1.6264	162.64

TOURIST RATES

Australia (\$)	2.4798	Malta (lira)	0.6365
Austria (schillings)	20.74	Maldives (rupees)	12.89
Belgium (francs)	61.00	Netherlands (guilders)	3.2329
Canada (\$)	2.3336	New Zealand (\$)	2.9260
Cyprus (pounds)	0.8595	Norway (krone)	12.32
Denmark (krone)	11.33	Portugal (escudos)	300.99
Finland (markka)	9.0272	Saudi Arabia (riyals)	6.0805
France (francs)	9.9051	Singapore (\$)	2.5406
Germany (marks)	2.9647	Spain (pesetas)	249.89
Greece (drachmas)	511.33	South Africa (rand)	8.0992
Hong Kong (\$)	12.54	Sweden (krone)	12.82
Ireland (pounds)	1.1895	Switzerland (francs)	2.4577
Israel (sheqels)	6.0653	Thailand (bahts)	60.06
Italy (lira)	2391	Turkey (liras)	396.953
Japan (yen)	214.10	USA (\$)	1.6392
Malaysia (ringgits)	5.8218		

Rates for indication purposes only
Source: Thomas Cook

Japan
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OUTLOOK ON THE LIKELIHOOD OF MERGER MANIA SPREADING TO THIS SIDE OF THE ATLANTIC, AND EFFORTS TO REVIVE A ONCE-PROUD CURRENCY

No banking mega-mergers please, we're British

IT'S happening in the US; it's happening on the Continent. The question is whether we should be allowing it to happen on the same scale in Britain too? Consolidation in banking and other financial services is reaching unstoppable momentum in the US; it has also gathered pace on the Continent. There's been a fair amount of it here as well, but against such mega deals as the merger of Switzerland's two leading banks, Citicorp and Travelers, and now BankAmerica and NationsBank, we ain't seen nothing yet.

There are two underlying reasons for this. Partly, it is to do with executive ego and management incompatibility. Particularly in banking, but to some extent in insurance too, this seems to be more of a problem here than elsewhere. There's been lots of talking, plenty of dreaming, lots of flirtation but, somehow or other, few of the really big prospective deals seem to get much past the taking down of the home telephone number stage. There is a tangible reluctance, reinforced by the daunting size of the management challenge these grandiose mergers involve, to take the plunge.

But mainly it is to do with public policy. Even if Martin Taylor, chief executive of Barclays, could persuade his opposite number at NatWest, Abbey National, Prudential, or whoever, to agree merger terms, could he get it past Margaret Beckett at the Department of Trade and Industry? At the moment, the answer seems to be no. Time may be on his side, however. With every giant US and continental deal, Mr Taylor's hand is strengthened and his case becomes more powerful.

So should policymakers be revisiting this territory and easing up just a little on the fiercely anti-merger stance we have seen so far from Mrs Beckett and her ally at the Treasury, Gordon Brown? When everyone around us is busy consolidating, are we not being like King Canute in resisting the tide?

The dilemma posed by the present wave of merger mania is almost as old as trade itself. Are these things to be viewed as little more than a conspiracy against the public, a way of achieving market dominance so as better to crutch and exploit the customer, or should we be less sceptical, accept that the world has changed, and go along with the idea that in order to compete adequately in the global market place, our companies need the economies of scale that can be achieved by mergers of this sort?

These are difficult questions, and the answers are still far from clear. For the UK, however, the case for further significant consolidation in banking and other industries run by tightly knit oligopolies, has yet to be convincingly put.

This column has never belonged to the "all business is theft" school of thought, that brand of radical consumerism which believes that the public has to be constantly and vigorously protected against the aims and ambitions of big business. Further, it is probably reasonable to believe that on the whole markets are self-correcting, that true monopoly is rarely sustainable for very long, that eventually and inevitably monopoly collapses under its own weight because of its inability to innovate and its slow response mechanisms.

On this line of argument, then, policy-

makers don't need to do anything to protect the public from big consolidating mergers: they should just let business do what it wants, and the public will protect itself. The point was well put by a columnist in *Business Week* recently while defending Bill Gates against the attacks of the US Justice Department. "What is happening here is that Sun Microsystems, Netscape Communications, and Novell are trying to achieve through antitrust politics what they could not achieve in the market place," he wrote. "Economists have known for decades that antitrust is what losers do with winners."

The argument is all the more powerfully made with Microsoft since this is a company which has invented and created its own monopoly. Why should it not be allowed to enjoy the fruits of its own success? But the same sort of point might be made about quite a lot of mergers too. Certainly, it could be made about Citicorp and Travelers. The openly admitted aim of this merger is that of greater market reach and clout, but if the new combine cannot deliver the goods, as seems highly likely, consumers will vote with their feet and the new behemoth will be still born.

All the same, for markets to remain free and fully open to competition does require a certain basic level of policing. There is a clear case for a rather heavier dose of it with UK banking. It may be true that the Continent and the US, with their legions of small regional banks, are "overbanked" but it is not true of Britain. Our leading players already enjoy shares of certain key market segments which might reasonably attract the

label of monopoly, they are in rude financial health, and their profits have reached a level many would regard as excessive. Barriers to entry may be falling, but they are still high.

Globalisation and the coming of the single currency obviously changes the debate to some degree, breaking down national barriers, creating pressure for one-stop banking, particularly from big corporate customers, and generally squeezing margins. But it is going to take many years for these powerful, local market positions seriously to erode. To allow them to grow more powerful still in the meantime cannot but act against the general public interest. There is no good policy reason for blocking cross-border, or cross-financial services, mergers (though investors might find plenty of other reasons for it). However, the time to open the flood gates completely has not yet arrived.

What the G7 can do about the yen

EVERY meeting of G7 finance ministers causes some anxiety in the currency markets. The question is whether today's might prove one of those meetings that marks a turning point in exchange rate trends - like the one in April 1995 that hauled the dollar up off its post-war low against the yen.

In fact, there are two questions in one here. Do the G7 countries have the political will to heave together in the same direction? And do economic fundamentals support an effort to turn the tide in the market and reverse the fall in the yen? The answer at present is "maybe" to both.

On the face of it, both the US and Japan should want to keep the yen weak against the dollar. It is the main thing that has been standing between Japan and recession, boosting its exports. This has increased the already blighted and politically sensitive US trade deficit with Japan, but that is perhaps a price worth paying to avoid an even worse downturn in the world's second biggest economy.

Robert Rubin, the US Treasury Secretary, indicated yesterday that he was content with a strong dollar and again emphasised the need for Japan to resume growth. However, the Japanese would prefer a stronger yen. They are concerned about potential trade tensions with both the US and their beleaguered Asian neighbours. So it is possible that today's G7 meeting will agree to try to boost the yen as long as the Japanese government agrees to try harder to boost the domestic economy.

But would a yen-support operation work when Japan is in such trouble? In its favour is the likelihood that US growth will slow during the course of this year. The stimulus measures already announced in Japan are expected to boost growth in the second half of this year, although the financial markets are as sceptical as the rest of the G7 about how effective the tax cuts will be in practice. All the same, there may be enough in the fundamentals to turn the currency markets now, if co-ordinated intervention takes place. Last week's dollar sales involved the Bank of Japan alone. All eyes will be on the New York Fed after the issue of today's communiqué.

Inflation pressures recede

By Diane Coyle
Economics Editor

THERE were signs of both a slowdown on the high street last month and almost no pressure on prices at the factory gate. With this year's late Easter delaying retail spending into April, and sharply lower oil prices keeping manufacturers' costs falling, new figures yesterday provided some extra ammunition for opponents of any further interest rate rise.

Growth in retail sales fell back sharply last month, according to the British Retail Consortium (BRC). The year-on-year increase in "like-for-like" sales dropped to 0.4 per cent from 3.4 per cent in February, and in total sales to 3.0 per cent from 6.6 per cent.

The BRC reckoned that the timing of Easter reduced the March figure by 3 per cent, however, which suggests there was little change in the underlying trend. Its report added that bad weather had also hit sales of some items, and it would not be possible to draw any firm conclusions before April's survey was published.

Sales growth at DIY and garden centres, for example, compared badly with a year earlier. The Easter effect also reduced year-on-year figures for department stores, which tend to link promotions to the holiday.

The wet weather boosted sales of rainwear but hit sales of the spring fashions. Swimsuits bucked the trend, however. "Customers are either buying unusually early or going abroad," the report commented.

Ann Robinson, the BRC's director-general, said there had been unusual ups and downs in sales since the summer due to a series of special factors such as windfall spending, the funeral of Diana, Princess of Wales, and timing changes at Christmas and New Year. But sales growth had

slowed compared with 1996 and the trend appeared stable.

"Nothing is happening to suggest it will either pick up or slow down from here," she said. "There is no inflationary pressure from the high street."

There was certainly evidence of the absence of inflationary pressure at the start of the price chain. The Office for National Statistics said prices charged at the factory gate rose 0.2 per cent in March to a level 1 per cent higher than a year earlier. Higher petrol duties announced in the Budget accounted for half of the increase, which was bigger than expected.

The annual rate of increase in output prices excluding food, beverages, tobacco and petrol slipped from 0.4 to 0.3 per cent in March, the lowest rate in "core" prices since July 1967.

A drop of more than a tenth in crude oil prices, taking them 36 per cent lower than a year earlier, helped reduce prices paid by manufacturers by 1 per cent last month. Input prices were 10.1 per cent lower than a year earlier.

"These numbers show there is no threat at all of inflationary pressures in the manufacturing sector," Francesca Massone at Goldman Sachs said. The dangers lay in pay pressures.

The strength of the pound explains the weakness of inflationary pressures in manufacturing, especially for bulk commodities. But David Hillier, an economist at Barclays Capital, pointed out that the impact of sterling was also clear in some higher value-added products. For example, factory gate prices for office machinery and computers fell in March to a level 6.1 per cent down on a year earlier.

He predicted that the incorporation of computer prices in the retail price index, which started with February's figures, would make the headline inflation figures start to look better.



Cracking the problem: The ostrich in the advertisement illustrating the folly of a 'head in the sand' approach

FSA alerts younger generation to pensions mis-selling review

By Lea Paterson

THE Financial Services Authority yesterday used an ostrich to alert the public to the dangers of ignoring its investigation into the mis-selling of pensions.

The tendency of the world's largest species of bird to bury its head in the sand is meant to illustrate to potential claimants that they must step forward if they want to obtain redress.

The ostrich took the key role in a new public information

film aimed at bringing a final end to a scandal which could eventually cost the insurance industry £11bn.

The purpose of the film is to emphasise the need for investors to respond to letters or requests from firms relating to the personal pensions review. It also urges people to take active steps to contact their pensions firm if they feel they were mis-sold products.

The personal pensions review is aimed at people wrongly sold pensions between 29 April 1988 and 30 June 1994.

The first phase of the review concentrated on "priority" cases for those at or near retirement and those that have died.

The deadline for priority cases is December of this year but progress has been slow. Only 225,000 investors have so far accepted offers of redress and the total amount paid out so far has been £1.2bn.

The second phase for less urgent cases is aimed at 1.87 million investors, many of whom are believed to be under 35. The FSA's chief, Howard Davies, said he hoped progress

on the second phase would be much quicker. The campaign is to be paid for by the pensions industry.

The FSA is also trying to raise public awareness of pensions mis-selling through a poster campaign. Schools and colleges in England and Wales have been sent posters aimed at the teaching profession.

Ron Devlin, the FSA's director for the pensions review said the film needed to appeal to a wide audience on a subject that was usually considered dull.

ABF warns of £45m hole as sterling slices into profits

ASSOCIATED British Foods, the maker of Sunblest Bread and Twinings Tea, last night warned that the soaring price of sterling could puncture a £45m hole in this year's profits. ABF's share price slumped 28.5p to 597.5p after its chairman, Gerry Weston, admitted profits could fall heavily from last year's underlying figure of £420m due to currency movements and slower export growth. Analysts said they were downgrading 1998 profit forecasts. ABF's pre-tax profits for the six months to February fell from £201m to £193m. The group, in which the 70-year-old Mr Weston and his family are substantial shareholders, said currency factors knocked £22m off interim operating profits.

Investment column, page 22

Swiss banks to axe more jobs

ANOTHER 240 City jobs are to go at UBS and SBC, the merging Swiss banks. The latest round of job cuts - which is "substantially under way" according to one source - is in the banks' fixed income departments. Around 185 of the job losses will be at UBS, widely perceived as the weaker of the merging parties. A further 760 fixed income jobs are to go outside of the UK.

March retail sales fall in US

US retail sales fell in March for the first time in five months due to weaker demand for durable goods such as cars and furniture. New car sales, which account for a quarter of total sales, were down 0.7 per cent during the month, while sales of other goods edged up 0.1 per cent. The headline total was down 0.1 per cent after a strong 0.7 per cent gain in February. Separate figures showed US consumer prices stayed flat in March after a small rise of just 0.1 per cent the previous month and no change in January. Lower energy prices play a big part in explaining the price stability, but the prices of other goods have also been flat or falling.

UN backs global deregulation

THE United Nations has come out in favour of financial deregulation for developing countries despite the disturbing example set by the crisis in Asia. But a new report from the UN Development Programme, "Perspectives on International Capital Liberalisation", warns countries should not be forced to move too far, too fast in opening up to foreign capital. Although the pros outweigh the cons, it recommends stronger and more transparent banking systems and tough capital standards as preconditions - putting the UN, unusually, in agreement with the traditionally free-market IMF. The UN says organisations like the IMF and World Bank should put a massive effort into helping developing countries create the institutions and regulatory systems they need to cope with free capital flows.

SmithKline boosts portfolio

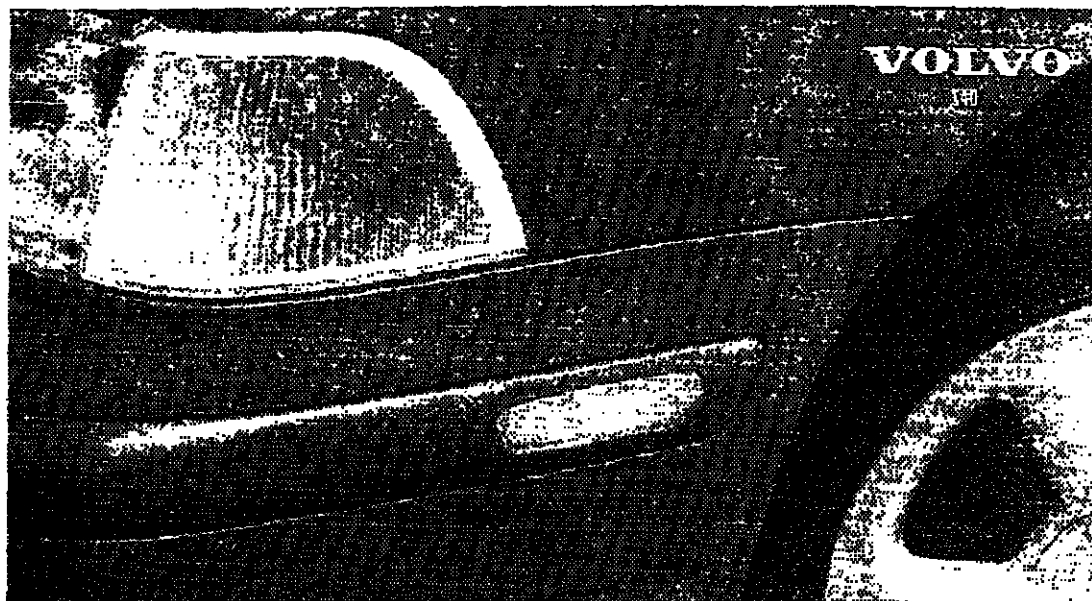
SMITHKLINE Beecham, the pharmaceuticals giant which recently pulled out of merger talks with Glaxo Wellcome, yesterday attempted to reassure the market by giving an update on the progress of more than 60 new treatments in its research and development pipeline. The company said its expanding portfolio of drugs and vaccines would translate into sustained growth well into the next millennium. Avandia, the diabetes drug, has progressed to phase III clinical trials and there have been encouraging test results for Idoxifene. SmithKline's osteoporosis treatment, However, the shares slipped 11.5p to 788.5p.

Cadbury chocolates take off

CADBURY Schweppes, the food and drinks giant, is to satisfy the sweet tooth of British Airways passengers after signing a contract to supply the airline with 5 million chocolate bars. Dairy Milk, Caramel and Wispas bars will be sold on long-haul flights.

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THE INVESTMENT COLUMN

EDITED BY PETER THAL LARSEN

Sour taste of sterling for ABF

BILLIONAIRE baker Garry Weston has served his shareholders at Associated British Foods well over the longer term with his brand of strong but conservative management. However, investors could be in for a lengthy wait before they benefit from any further tasty morsels from the AB Foods table.

The company is taking a drubbing from sterling, even though it is sitting on a £1.5bn cash pile which has its competitors drooling with envy.

There is no question of a major change in strategy because the 71-year-old executive chairman insists he has no plans for retirement. Neither is he much interested in the latest share buy-back trend, which would in effect transfer cash from the business to his family, which still owns a lot of the company. Besides, he wants to use excess money to build the company through further acquisitions.

The trouble is that assets are expensive in today's bull market, especially in the US where AB Foods is doing well and is keen to expand. Mr Weston knows all this; he missed out on Dalgety's milling businesses because he thought they were too expensive and he admitted yesterday future purchases are likely to be relatively small.

This brings AB Foods back to the present, where interim profits before tax fell from £201m to £193m in the six months to 28 February, while sales fell from £2.6bn to £1.9bn.

Last year's results were artificially inflated by the £420m sale of Irish businesses. But the last six months for AB Foods have been made much worse by the strength of sterling, which reduced group profits by £22m.

Weston is the first to admit that this is not going to go away. He estimates a £40m to £45m hit against full-year operating profits as a result of the conversion of overseas profits into sterling and the impact on British exports like tea and biscuits.

There were strong trading performances from Allied Bakeries in the UK but operating profits of the important British Sugar subsidiary were hit by the pound. Operations in the US performed particularly well.

While AB Foods is in rude health,

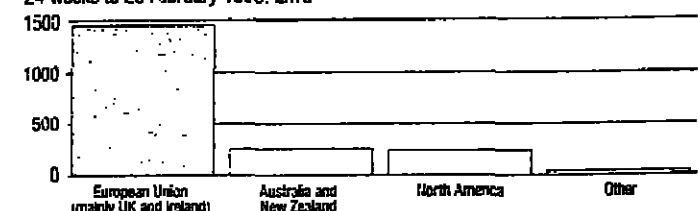
Associated British Foods: At a glance

Market value: £5.4bn, share price 597.5 (-28.5p)

	1995	1996	1997	1997	1998
Five-year record				half year	
Turnover (£bn)	4.8	5.7	5.2	2.6	1.9
Pre-tax profits (£m)	375	430	850	201	193
Earnings per share (p)	27.8	31.0	75.6	14.5	14.5
Dividends per share (p)	8.8	9.5	15.0	4.3	4.3

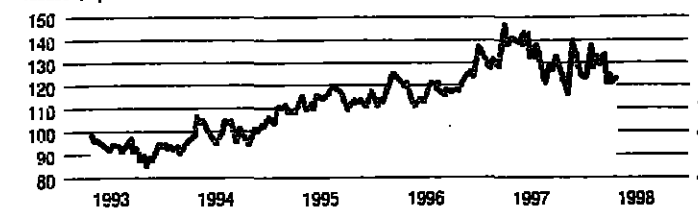
Analysis of turnover

24 weeks to 28 February 1998, £m



Associated British Foods vs FT Allshare

rebased, April 1993=100



overall currency problems have forced some analysts to downgrade their 1998 forecasts from £460m to the £415m mark.

With the shares down 28.5p to 597.5p this puts AB Foods on a forward multiple of 19 compared with 20 for the sector. That is probably fair.

EB's master game plan

AT FIRST GLANCE, selling computer games looks like child's play. After all, any industry where a load of testosterone-fuelled teenagers can be convinced to part with piles of cash for the latest shoot 'em up game just a few months after the last one hit the shelves can't be hard to master. Can it?

Well, it can. The main problem is that the majority of the games are sold in the first few days after release. A US chain recently reported that of the 100,000 copies of a particular game

it has sold since January, half were sold in the first weekend. This means that retailers have to think like teenagers when deciding which games to stock. Not buying enough of a popular game means they sell out in no time. Buying too many of a dud leaves the retailer sitting on over-priced stock.

Electronics Boutique has mastered this particular game. A spin-off from the US group of the same name, EB has expanded its network to 150 stores, including 17 concessions in Debenhams. Since hitting the stock market in June last year, its shares have doubled.

EB's secret weapon is its parent company, which retains a 25 per cent stake. Since most games are first released in the US, EB can get a feel for how they have been received before deciding how many to buy for the UK. Its success means it is now aiming for 200 stores around the country, with many again in the form of in-store concessions.

Despite the competing attractions

of the Sony Playstation and Nintendo 64 consoles, demand continues to grow. Brokers forecast profits of £13m, rising to £16m, putting the shares, up 5.75p to 68p yesterday, on a rating of 16 times next year's earnings. That's still some way off EB's high score. Buy.

Inspec looks a takeover target

INSPEC may seem to have caught the market by surprise yesterday when it announced the sale of its Belgian operations. The 14 per cent share price rise which accompanied the news certainly caught some dealers napping. In fact, Inspec - urged on by its shareholders - has been trying to flog the business for the best part of a year.

The problem with the Belgian operation is its unpredictability. It mostly makes ethylene oxide, which is used as a raw material for products like paints and lubricants. As a commodity chemical, demand and prices are highly volatile. In the three years that Inspec owned the business, operating profits went from £12.4m to £6.4m and back up to £13.1m. With the Asian crisis looming, the next movement was likely to be down.

At £84m, the price Inspec got for the Belgian business is not much more than the £78.5m it paid for it in 1995, although the company points out that, after capital spending, the business has yielded £19m in cash flow over three years.

The real attraction of the deal, however, is that it gives Inspec more control over its operations. This is not a new trend - the reception for ICI's decision to trade in its bulk chemicals for Unilever's specialty chemicals operations last year showed how much the City dislikes commodity businesses.

What's more, the deal removes a potential poison pill, making Inspec a prime takeover target. Given the recent battle for Allied Colloids and the current speculation about Courtaulds, this is more than just wishful thinking by investment bankers. The sector is ripe for consolidation. But there is more than bid speculation to the shares, up 34.5p to 277p. On profit forecasts of about £50m the shares trade on a forward p/e ratio of 12. Good value.

PEOPLE & BUSINESS

JOHN WILLCOCK



HONEYSUCKLE, a company which makes and designs ladies' woollens and is based in Leeds, has been bought by a group of investors who intend to use it to pursue a £25m acquisitions spree. The company's shares were suspended yesterday pending a refinancing by Sandy Andersen and Barry Dale.

Under the terms of the deal Linda and David Serr, who founded Honeysuckle from humble beginnings in Leeds market, will reduce their stake from 66 per cent to under 10 per cent. Sandy Andersen has bought National Westminster Bank's debenture, for over £1m, and is providing Honeysuckle with a £1.5m working capital facility.

Mr Andersen was one of the first business people to benefit from the public transport sell-off, and trousered £30m from the sale of Porterbrook to Stagecoach. His business partner Barry Dale, former chief executive of Littlewoods, is also putting some money in.

Mr Andersen will underwrite part of a proposed placing and open offer "at a significant discount to the current share price" to raise further funds, the company said yesterday.

Adrian Bradshaw of Bradmont Investments, a former chief executive of Incepta, helped put the new investor group together. He said: "Our intention is to expand outside the textile arena through a fairly material acquisition in excess of £25m. The placing circular in June will have more details."

SHAREHOLDERS in Thistle Hotels will be delighted to hear that the company has appointed Ian Burke as its chief executive. Mr Burke, who comes from Bass, will replace Robert Peel, a guru of the hotel industry who, however, checked out of Thistle after its share price took the downward escalator.

Thistle has searched for a successor for the last four months and has alighted on Mr Burke, who has been managing director of "Europe, Middle East, Africa - holiday hospitality" at Bass since 1995. Sounds a jolly tide.

Robert Peel and his brother Charlie Peel virtually created Thistle Hotels when they bought a stake with friends in Mount Charlotte Investments from Jim Slater way back in the 1970s. Mr Slater is of course now enjoying something of an Indian summer as the small investors' friend and guide. Charlie Peel is a stockbroker, now with Peel Hunt. Robert Peel has been bounced back by launching Peel Hotels on AIM.

I wish Mr Burke well, although the best thing he could do as far as I am concerned is demolish the ghastly Thistle Hotel overlooking the Tower of London and Tower Bridge. It must surely be the ugliest building in Britain.

NASDAQ has appointed a Brit, Maggie Kelly, as head of all its European marketing, operating out of London. The American-based electronic stock exchange is currently attempting to merge with the American Stock Exchange, confusingly called Amerex, though it has nothing to do with the credit card company.

Ms Kelly has spent the last 12 years in the US, having gone there originally to work with Ogilvy & Mather, and because her husband was an American. She now has three children who are "in deep culture shock" having been moved to the UK, she says.

Nasdaq is the first stock exchange, as far as I know, to advertise on television, and this will continue, Ms Kelly says, along with a host of other promotions "to establish awareness of Nasdaq with institutional investors, brokers and individual investors".

PHILIP ROWLEY has returned to Kingfisher after a decade away. In 1987 he was financial controller of the group for about a year before leaving. Now he has emerged as Tony Perceval's successor as finance director.

Mr Rowley is presently executive vice president, chief financial officer and chief operating officer of Golden Books, the US children's book publisher. He has been with Golden Books since 1996.

The prodigal Mr Rowley said: "I am delighted to be re-joining Kingfisher. I know many of the senior people and have of course taken a keen interest in the company's rapid and successful development over the past few years."

STEPHEN DAVIES has joined the Financial Services Authority (FSA). No, this does not mean Howard Davies has taken up snooker. This Steve Davies is currently economist at the Institute of Directors, and has been appointed senior economist, UK economic analysis, at the FSA.

AND FINALLY, British Digital Broadcasting has appointed a finance director, Jeanette Wilkins, who comes from one of its co-owners, Granada. BDB is still awaiting the arrival of its chief executive designate, Stephen Grabiner, who faces a court action to keep him by his former employers, United News & Media.

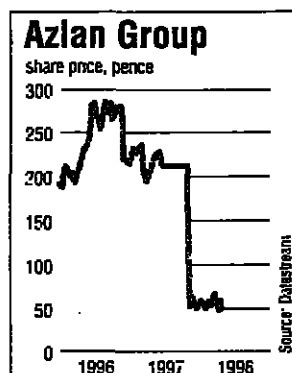
Serious Fraud Office begins investigation into Azlan

By Peter Thal Larsen

AZLAN, the embattled computer products distributor, yesterday suffered a fresh blow after it revealed that the Serious Fraud Office had started an investigation into suspected false accounting during the financial year which eventually led to the company declaring a £14m loss.

The investigation is understood to have been passed to the SFO by the Department of Trade and Industry, which held informal talks with Azlan's management last year.

However, it is not clear whether the investigation involves former directors who left the company during a four-



month investigation into accounting irregularities last year.

During the course of the investigation the chief executive, Christian Martin, the finance director, Adrian Lamb and the chairman Mike Brooke all re-

signed from the board, though none was eventually blamed for the debacle.

Azlan shocked the market last June when it suspended trading in its shares after uncovering accounting irregularities. The company eventually reported a £14m loss, compared to the £14.8m profit it had forecast six months earlier.

Barrie Morgans, a former chief executive of IBM UK, was brought in as chief executive and chairman. He blamed the losses on a "serious failure of management and internal financial control" but said that there was no evidence of serious fraud. The company launched a £24m rescue rights issue.

Yesterday, Mr Morgans said

the new management would "give its full co-operation" to the investigation. However, he said he did not know how long the it would last or whether it involved any former directors.

"It's about events in the past," he said. "It has no bearing on the current business."

Nevertheless, Azlan shares slipped 7.5p to 30p. When the problems were first uncovered they were suspended at 555p.

The company has struggled to shake off the stigma of last year's problems. A few weeks ago, it emerged that Compaq, the US computer giant, had withdrawn the accreditation which permits Azlan to conduct training courses on its behalf in the UK.

Electronics Boutique aims for 200 stores

ELECTRONICS Boutique, the computer games retailer, yesterday announced plans to almost double its number of stores in the UK, writes Peter Thal Larsen.

"I think we can get to over 200 stores in the UK," chief executive John Steinbrecher said. The group currently has 133 outlets, as well as 17 concessions in branches of Debenhams.

Mr Steinbrecher also revealed that the company was talking to another three retailers about opening more concessions. He said that, in time, the number of in-store concessions could equal the number of stores owned by Electronics Boutique itself. Meanwhile, the company said opportunities for expanding outside the UK were being reviewed.

Mr Steinbrecher was speaking as Electronics Boutique revealed a 16-fold rise in pre-tax profits to £7.96m, helped by booming demand for the Nintendo 64 and Sony Playstation consoles, and games such as Tomb Raider II, Final Fantasy VII and FIFA '98. On a like-for-like basis, turnover improved by 55 per cent.

Oil giants are urged to recognise unions now

By Barrie Clement
Labour Editor

WITH just weeks to go before the Government reveals its proposals on rights at work, the big oil companies are coming under intense pressure to reinstate union recognition.

The Transport & General Workers' Union is calling for talks with Esso, Shell, BP and Mobil, all of which withdrew collective bargaining systems in the four years up to 1995.

Fred Higgs, the union's senior national official for the oil industry, said his organisation had maintained membership in all four companies - and in some areas had increased it - since management withdrew recognition.

Mr Higgs was confident the level of membership would ensure that the oil companies were forced to reintroduce bargaining rights, whatever test of union support was introduced by the White Paper "Fairness At Work".

He urged management to rethink their "anti-union strategy" and negotiate voluntary agreements now, rather than wait for the law to force it on them. He

said his members would be in no mood to make concessions if the union had to resort to the law to win back collective rights.

Mr Higgs said that they would demand the reinstatement of procedures that existed five years ago.

"If anybody really wants to know why legislation on recognition is important, they ought to look at what the oil industry has done to loyal and productive workers," Mr Higgs said.

He accused the companies of "colluding" with each other to withdraw union agreements applying to nearly 10,000 process and distribution workers and of using "intimidation" to pressure employees into signing individual contracts.

In a submission to the Employment Select Committee, he accused the oil companies of "ideological opportunism". During the period when they attacked union organisation, they had "collectively decided that they were unlikely to have a better economic, legislative or political climate in which to de-unionise the industry in the UK".

All four oil companies deny allegations of collusion and intimidation.

Cable & Wireless in talks with Italian operator

By Peter Thal Larsen

CABLE & Wireless, the international telecoms group, yesterday confirmed that it was in talks with the Italian state-owned operator Telecom Italia about forming a strategic alliance.

C&W said that it was exploring "opportunities for co-operation on their respective international networks and provision of services to global customers" with Telecom Italia.

Meanwhile, C&W has agreed to sell its 20 per cent stake in Bouygues Telecom, the French mobile phone group, to Telecom Italia. C&W did not put a figure on the transaction, which is subject to approval from regulators and Bouygues Telecom's other shareholders.

Speculation has been rife in recent months that C&W was about to sell the stake. Dick Brown, the group's chief executive, last year promised to raise £1bn by selling off some of the company's minority interests.

The company gave no further details on talks with Telecom Italia, which are believed to be at an early stage.

It is unclear how the discussions will affect the Italian group's attempts to join Unisource, the international telecoms alliance led by AT&T, the US giant.

C&W has been under pressure to form an international link ever since merger talks with British Telecom broke down last year.

C&W shares closed up 10.5p to 748.5p.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
AB Foods (F)	1,970m (2.7bn)	193.0m (201.0m)	14.5p (15.5p)	4.25p (4.25p)
Bridgford Group (F)	24.0m (14.12m)	0.288m (0.148m)	0.5p (0.5p)	0.2p (0.2p)
Dunelm & Mills (F)	99.32m (61.26m)	0.844m (7.12m)	2.24p (2.84p)	1.19p (1.13p)
Electronics Boutique (F)	124.32m (74.14m)	8.0m (0.5m)	2.88p (0.19p)	-
Peat (F)	14.5m (10.2m)	0.363m (0.507m)	0.17p (0.8p)	0.1p (n/d)
(F) - Final, (I) - interim				

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Transatlantic merger mania boosts banks

MARKET REPORT



DEREK PAIN

THE latest display of America's merger mania created predictable excitement among bank shares, with Lloyds TSB given the dubious distinction of leading the British response.

Without the strong banking sector the stock market would have been very subdued. At one time Footsie was riding at a new high, up 45 points. And when New York opened in exhilarating style, equities should have at least held on to their progress.

But the market can be a perverse place. Blue chips spent the afternoon in disarray, with Footsie at one time down 22.3 points. It ended just 1.4 lower at 6,041.1.

A little profit taking in thin trading as the Easter holiday was extended seemed to be responsible for the poor performance.

Still, the feast of the bankers ignored the trend. Lloyds jumped 52.5p to 1,075p, a new peak, in remarkably busy trading. With a

£58bn capitalisation, it was seen as capable of making a powerful British contribution to the financial deal-making which has prompted three huge transatlantic financial deals in a week.

Lloyds getting together with HSBC, up 43p at 2,025p, was one of the unlikely stories flying around. Standard Chartered, which resisted the Lloyds embrace 12 years ago, was also back in the frame with a 46p gain to 1,018p.

Rumours of Standard turning down takeover approaches - Barclays is one that is said to have made overtures - are never far from the group, which is now within hailing distance of the 1,081.5p peak achieved before the Asian turmoil erupted.

Far Eastern tycoon Tan Sri Khoo Teck Puat has around 15 per cent. He was one of the "white squires" who rode to the company's rescue 12 years ago. There are suggestions he would be prepared to sell.

Two other old bid faithfuls were in form. Family-controlled Schroders raised 105p to 2,745p and National Westminster Bank 40p to 1,200p.

Despite some indifferent displays by the former building societies, the bank sector was up almost 2 per cent. Halifax, in the doldrums since it opted for buying shares in the market rather than returning cash through special dividends or shares buy-backs, lost 4.5p to 875.5p. The shares touched 977p.

Insurances, particularly the non-life variety, missed the fun, weighed down by the Easter storms. Commercial Union, at one time off 63p, ended 15p lower at 1,265p and GRE finished 7.75p down (after 15p) at 432.25p. The insurers rallied after the Association of British Insurers estimated the storm costs at £300m to £500m - much lower than other forecasts.

The storm hit washed over General Accident. Helped by

Charterhouse Tilney, the shares added 34p to 1,582p.

Disappointment with Associated British Foods' figures led the shares down 28.5p to 597.5p and J Sainsbury and Boots were hit by worries the central Easter weather had depressed do-it-yourself sales. Sainsbury's softened 11p to

499p and Boots 20.5p to 942.5p.

SmithKline Beecham's presentation made little impact, with the shares down 11.5p to 788.5p.

Although the blue-chip advance faltered, the rest of the market was rather more resilient. The mid cap index ended 12.5 points higher at 5,541.8 and the SmallCap improved 2 points to 2,636.3.

Football shares responded to the Easter results. Nottingham Forest, with promotion nearly assured, scored a 12p gain to 81.5p but Sunderland's set back cost 39p to 50p. Manchester United slipped 4p to 129.5p with Arsenal now favourites to win the Premiership championship.

The recently demerged Debenhams and Arcadia responded to Morgan Stanley's praise with Debs up 10p at 377.5p and Arcadia 12.5p to 450p.

Sports retailers remained in the mire. Blacks Leisure fell

31.5p to 351p. John David Sports 5p to 106.5p and JJB Sports up to 530p. Dresdner Kleinwort Benson softened

JJB's fall by suggesting there was a 100p upside.

Azian, the accident-prone computer group, retreated 7.5p to 50p after the Serious Fraud Office said it intended to investigate for false accounting. Drew Scientific lost 15.5p to 73.5p after a profits warning.

Pace Micro's modest recovery continued with the shares gaining 8.5p to 91p. The set-top decoder maker has enjoyed support since two directors bought shares at 44.5p. Talk of takeover action added further impetus.

Dialog Corporation, the old MAID, firmed to 161.5p after ABN Amro declared: "We strongly reiterate our buy recommendation with a price target of 300p."

Profits of £24.6m are forecast for this year with £53.5m estimated for the millennium.

TAKING STOCK

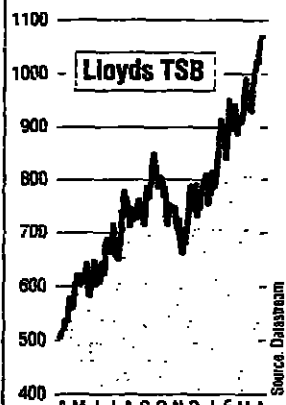
VIDEOLOGIC, which has bobbed between 20p and 111.5p since coming to market three years ago, has acquired a new fan - Credit Lyonnais. With its new chip said to be ahead of its main competitors in speed, specification and price, the shares, up 2.5p to 65p, are regarded as a buy.

The investment house forecasts profits of £3.23m this year after an expected £3.21m loss in the year just ended.

REVELATION Piccadilly, the luggage maker and retailer, has fixed up a deal to supply crews of United Airlines, the US carrier, with its Skyway luggage. The acquisitive company should produce year's profits of around £1m when it reports next month against £171,000.

DOWDING & Mills is hoping to reduce its mining equipment exposure and is looking for suitable US acquisitions. Its shares tumbled 13.5p to 54p after interim profits crashed from £7.1m to £844,000.

Share Spotlight



52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
12	100	100	Alcoholic Beverages	100.00	-0.00	3.3	100.00
13	100	100	100	100.00	-0.00	3.3	100.00
14	100	100	100	100.00	-0.00	3.3	100.00
15	100	100	100	100.00	-0.00	3.3	100.00
16	100	100	100	100.00	-0.00	3.3	100.00
17	100	100	100	100.00	-0.00	3.3	100.00
18	100	100	100	100.00	-0.00	3.3	100.00
19	100	100	100	100.00	-0.00	3.3	100.00
20	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
21	100	100	100	100.00	-0.00	3.3	100.00
22	100	100	100	100.00	-0.00	3.3	100.00
23	100	100	100	100.00	-0.00	3.3	100.00
24	100	100	100	100.00	-0.00	3.3	100.00
25	100	100	100	100.00	-0.00	3.3	100.00
26	100	100	100	100.00	-0.00	3.3	100.00
27	100	100	100	100.00	-0.00	3.3	100.00
28	100	100	100	100.00	-0.00	3.3	100.00
29	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
30	100	100	100	100.00	-0.00	3.3	100.00
31	100	100	100	100.00	-0.00	3.3	100.00
32	100	100	100	100.00	-0.00	3.3	100.00
33	100	100	100	100.00	-0.00	3.3	100.00
34	100	100	100	100.00	-0.00	3.3	100.00
35	100	100	100	100.00	-0.00	3.3	100.00
36	100	100	100	100.00	-0.00	3.3	100.00
37	100	100	100	100.00	-0.00	3.3	100.00
38	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
39	100	100	100	100.00	-0.00	3.3	100.00
40	100	100	100	100.00	-0.00	3.3	100.00
41	100	100	100	100.00	-0.00	3.3	100.00
42	100	100	100	100.00	-0.00	3.3	100.00
43	100	100	100	100.00	-0.00	3.3	100.00
44	100	100	100	100.00	-0.00	3.3	100.00
45	100	100	100	100.00	-0.00	3.3	100.00
46	100	100	100	100.00	-0.00	3.3	100.00
47	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
48	100	100	100	100.00	-0.00	3.3	100.00
49	100	100	100	100.00	-0.00	3.3	100.00
50	100	100	100	100.00	-0.00	3.3	100.00
51	100	100	100	100.00	-0.00	3.3	100.00
52	100	100	100	100.00	-0.00	3.3	100.00
53	100	100	100	100.00	-0.00	3.3	100.00
54	100	100	100	100.00	-0.00	3.3	100.00
55	100	100	100	100.00	-0.00	3.3	100.00
56	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
57	100	100	100	100.00	-0.00	3.3	100.00
58	100	100	100	100.00	-0.00	3.3	100.00
59	100	100	100	100.00	-0.00	3.3	100.00
60	100	100	100	100.00	-0.00	3.3	100.00
61	100	100	100	100.00	-0.00	3.3	100.00
62	100	100	100	100.00	-0.00	3.3	100.00
63	100	100	100	100.00	-0.00	3.3	100.00
64	100	100	100	100.00	-0.00	3.3	100.00
65	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
66	100	100	100	100.00	-0.00	3.3	100.00
67	100	100	100	100.00	-0.00	3.3	100.00
68	100	100	100	100.00	-0.00	3.3	100.00
69	100	100	100	100.00	-0.00	3.3	100.00
70	100	100	100	100.00	-0.00	3.3	100.00
71	100	100	100	100.00	-0.00	3.3	100.00
72	100	100	100	100.00	-0.00	3.3	100.00
73	100	100	100	100.00	-0.00	3.3	100.00
74	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
75	100	100	100	100.00	-0.00	3.3	100.00
76	100	100	100	100.00	-0.00	3.3	100.00
77	100	100	100	100.00	-0.00	3.3	100.00
78	100	100	100	100.00	-0.00	3.3	100.00
79	100	100	100	100.00	-0.00	3.3	100.00
80	100	100	100	100.00	-0.00	3.3	100.00
81	100	100	100	100.00	-0.00	3.3	100.00
82	100	100	100	100.00	-0.00	3.3	100.00
83	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
84	100	100	100	100.00	-0.00	3.3	100.00
85	100	100	100	100.00	-0.00	3.3	100.00
86	100	100	100	100.00	-0.00	3.3	100.00
87	100	100	100	100.00	-0.00	3.3	100.00
88	100	100	100	100.00	-0.00	3.3	100.00
89	100	100	100	100.00	-0.00	3.3	100.00
90	100	100	100	100.00	-0.00	3.3	100.00
91	100	100	100	100.00	-0.00	3.3	100.00
92	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
93	100	100	100	100.00	-0.00	3.3	100.00
94	100	100	100	100.00	-0.00	3.3	100.00
95	100	100	100	100.00	-0.00	3.3	100.00
96	100	100	100	100.00	-0.00	3.3	100.00
97	100	100	100	100.00	-0.00	3.3	100.00
98	100	100	100	100.00	-0.00	3.3	100.00
99	100	100	100	100.00	-0.00	3.3	100.00
100	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
101	100	100	100	100.00	-0.00	3.3	100.00
102	100	100	100	100.00	-0.00	3.3	100.00
103	100	100	100	100.00	-0.00	3.3	100.00
104	100	100	100	100.00	-0.00	3.3	100.00
105	100	100	100	100.00	-0.00	3.3	100.00
106	100	100	100	100.00	-0.00	3.3	100.00
107	100	100	100	100.00	-0.00	3.3	100.00
108	100	100	100	100.00	-0.00	3.3	100.00
109	100	100	100	100.00	-0.00	3.3	100.00

52 week	High	Low	Stock	Price	Chg	Yld	P/E Code
110	100	100	100	100.00	-0.00	3.3	100.00
111	100	100	100	100.00	-0.00	3.3	100.00
112	100	100	100	100.00	-0.00	3.3	100.00
113	100	100	100	100.00	-0.00	3.3	100.00
114	100	100	100	100.00	-0.00	3.3	100.00
115	100	100	100	100.00	-0.00	3.3	100.00
116	100	100	100	100.00	-0.00	3.3	100.00
117	100	100	100	100.00	-0.00	3.3	100.00
118	100	100	100	100.00	-0.00	3.3	100.00

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Capital & General Managed Acc G2	192.00	139	Equity	100.00	670.40
London Invest Ltd Equity Acc	718.00	139	Hedgefund	15.00	355.10
Capital Invest Ltd Acc	35.00	139	Managed	43.40	45.00
London (Latterday) Mgt Acc Ser 3 74.60	875.00				
London & March Fidelity Ld Fund	659.00				

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Hoddle wields carrot and stick

Football

By Glenn Moore

IT IS customary before England matches for Glenn Hoddle to be photographed with a stereotypical symbol of their opponents – a pizza before Italy, a string of onions and a beret before France, a sombrero for Mexico.

Next week's Wembley friendly with Portugal will thus give the snappers the welcome opportunity to buy a bottle of port on expenses but, on this occasion, a big carrot and large stick would be more appropriate. For those props would, to judge from the England coach's squad announcements yesterday, best illustrate his approach to both Wednesday's full international and Tuesday's B match with Russia.

The carrot was a staggering

59 call-ups, 34 for the senior squad. That party includes five goalkeepers, several players nursing or returning from injury such as Ian Wright, Martin Keown, Tim Flowers, Les Ferdinand and Paul Gascoigne, and the uncapped trio Kevin Pressman, Ray Parlour and Dominic Matteo.

Yet it is the 25-strong squad for the B match, to be played at Loftus Road, which offers the biggest carrots, to Matt Le Tissier and Darren Anderton.

Having given so many World Cup hopefuls the prospect of a place in the final 22 Hoddle then wielded the stick. Barring serious injury all players will be expected to join up with their squads on Sunday or risk saying *au revoir* to a summer in France.

Hoddle, who lost nine players to injury before last month's friendly in Switzerland, said: "Unless they are in hos-

pital I don't envisage anybody pulling out of this squad. If they do they will be foolish. Everything next week will be done with one eye on choosing the 22 for the World Cup. It is a problem for players if they do not come."

This three-line whip will not go down well with clubs involved in championship, promotion and relegation battles, but Hoddle said: "I'm not asking for much, three months before the World Cup finals, to get a group of players together to talk about things."

All clubs and players involved have been sent a letter outlining Hoddle's views and he added: "The clubs are aware of the situation and so are the players. They have got to have a genuine problem, an injury which travelling would hinder, not to make it."

The two most unexpected recipients of Hoddle's letter are Le Tissier and Anderton. Le Tissier was last seen in an England shirt being substituted an hour into the home defeat by Italy 14 months ago. He dropped out of the next squad with injury and has not featured since. Hoddle, who was heavily criticised for championing Le Tissier, was reluctant to discuss his call-up

beyond saying: "I need to have a look at his situation, if I get four or five players of a similar mould getting injured I need to know where I am going."

Since even Hoddle's injury-prone squads are unlikely to lose five players in one position his recall may have more to do with Hoddle's concern at the lack of creativity England have shown in the last two Gascoigne-less matches.

Anderton has never played for Hoddle. Indeed, such have been his injury problems he has only been called up once, for the first match in September 1996, and then he withdrew. "He is back playing and, like Wright and Ferdinand, he has time to get fit," said Hoddle. Anderton had a sparkling *Euro '96* despite having missed much of the previous season but it is asking a lot to expect him to get

sharp enough to play in a World Cup.

Nick Barmby is also in the B squad, as is Ipswich's David Johnson – a target for Jamaica – but Jamie Redknapp reverts to the senior side where he will be considered as a midfielder, not a sweeper. There are also senior recalls for Stuart Pearce, who last played in Le Tournoi, and Ian Walker.

Chris Sutton remains beyond the pale while Dennis Wise will take no satisfaction from being proved right in believing Hoddle will not pick him.

Portugal are, said Hoddle, "the best side not to have qualified for the World Cup". He has enlisted the help of Graeme Souness, now managing Benfica, to aid preparation for a match which, after a defeat and a draw, England need to win.

United's bid for Stam stutters

By Andrew Martin

A DUTCH auction for a Dutch defender is the last thing Manchester United wanted to enter when they tabled a £10m offer for PSV Eindhoven's Jaap Stam, but yesterday Stam's club were still refusing to lower their asking price of £15m for the Netherlands international.

Martin Edwards, the United chairman, made the offer during negotiations in Eindhoven last week and he feels it is a fair price for the Netherlands' player of the year.

"I think what we have done is come up with an offer which we believe is the right offer," Edwards said. "The last thing we want is to be involved in a Dutch auction. We have made our bid and we're now waiting for an answer from them. They have promised us a reply in the next two weeks."

PSV, though, claim United's offer for the coveted 25-year-old is not good enough. They are resigned to losing Stam, who is under contract until 2003, because he wants to move to Old Trafford, but they are determined there will be no cut-price deal.

Pedro Salazar-Hewitt, the PSV spokesman, said: "Our president and Mr Edwards know what our price is and we're not going to offer Stam to Manchester. It is now up to Mr Edwards to come back to us or else no deal will happen."

PSV dismissed suggestions that they will accept United's offer if Stam agrees to waive his 15 per cent cut of the transfer fee. They also ruled out a player-plus-cash deal which would see United's Dutch midfielder, Jordi Cruyff, moving in the opposite direction.

For his part, Cruyff, who has just recovered from his third injury of the season, ruled out a move to PSV. "There is absolutely no chance of me going back to Holland," he said.

Newcastle United moved to repair their tainted image yesterday by appointing Alistair Wilson as director of communications. Wilson opted for early retirement from his post as managing director of Newcastle Breweries to take up the newly created role, with the aim of healing the rift with fans following the allegations surrounding former directors Freddie Shepherd and Douglas Hall.

In a statement, Wilson said: "I will be liaising between the football club and the community, of which I'm delighted to be a part, and believe I can improve the perception of the club."

However, almost the first action of the man charged with responsibility for public affairs was to turn down a request from Radio Five Live for an interview.

The Aston Villa manager, John Gregory, also has one of the more trying jobs in football in getting the mercurial talent that is Stan Collymore to consistently perform at his best.

Yesterday Gregory said the club's record £7m signing had "messaged about for long enough" in a season in which the striker had scored just eight goals.

Gregory said: "He's got to come back flying and flat out on 15 August and get a good season under his belt. He has wasted a couple of years. He's wasted a year here at Villa but in his last year at Liverpool he also wasn't that enduring to Roy Evans, the fans or the media. He has messaged about for long enough. The years soon go and Stan doesn't want to look back and think 'if only'."

"But on the few occasions he's played under me he's delivered the goods. He's set his standards and the next European Championships have got to be a target for him."

Cricket's opener is clouded by the elements



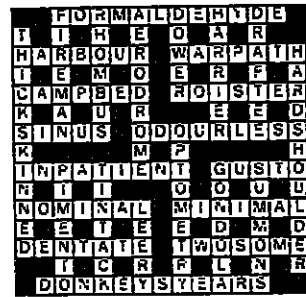
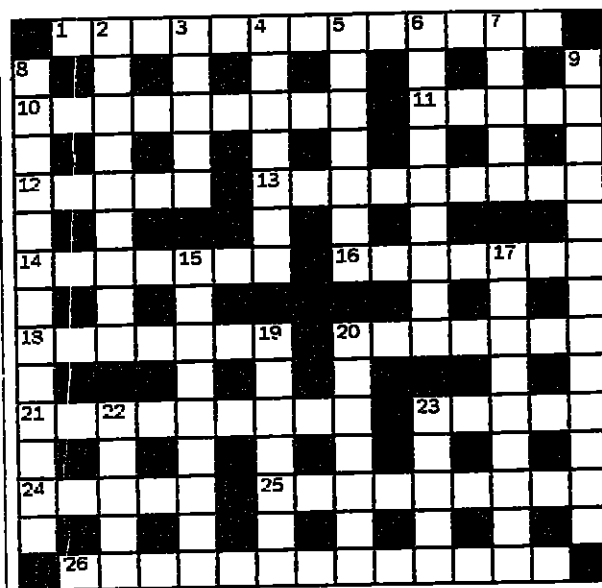
The cricket season began under gloowering skies at Farnham yesterday where Cambridge University were playing Northamptonshire in a three-day match. The wintry conditions allowed only 42 overs to be bowled, with the visitors reaching 122 for 3 at the close. In the day's other match, at The Parks, Sussex were 182 for 4 against Oxford University. Photograph: Peter Jay

THE INDEPENDENT CROSSWORD

No 3585, Wednesday 15 April

By Aquila

Tuesday's Solution



- ACROSS**
- 1 The Welsh keep chalet Charles converted? (7,6)
 - 10 Fuse needed where coals burn without heat (9)
 - 11 Priest's list of genuine, sacred writings (5)
 - 12 Bird spotted in the Greta area (5)
 - 13 Concerned with college fees for coaching a learner (9)
 - 14 This country keeps it in mind (7)
 - 16 Thomas's first grounds for disloyalty (7)
 - 18 Complex girl, to choose painter (7)
 - 20 Fancied daughter used a juice-extractor (7)
 - 21 Variety of crane's pot-plant (9)
 - 23 Stable seat in Cambridge, for example (5)
 - 24 Group of players moving on, taking bag (5)
 - 25 Gibbon hairs on it, possibly? (9)
 - 26 Rush in rain (13)
- DOWN**
- 2 Curtains introduce this span (9)
 - 3 Weak cocker? (5)
 - 4 Virginal name for cow (7)
 - 5 High Street retailer who puts note in box? (7)
 - 6 Irreverence of clergies a-wavering (9)
 - 7 Name given to border of lawn, sometimes (5)
 - 8 Clue to "glibness" that has advantages and disadvantages (5,8)
 - 9 Angle willing to take Lincoln, possibly? (8,5)
 - 15 Real gold, in that case, receives endless credit (9)
 - 17 Pleasing import from Italy (9)
 - 19 Ventilates joint that could be dirigible (7)
 - 20 Cash down is up in warehouse (7)
 - 22 Keeper and England's opener worn out (5)
 - 23 Tubby Porter (5)

Authorities fine teenager after positive drugs test

Snooker

PAUL HUNTER became the most prominent player to be penalised for failing a drugs test when he was yesterday fined £4,550 by the sport's governing body and docked 1,140 ranking points.

The 19-year-old from Leeds, winner of the Welsh Open tournament four months ago and ranked 43 in the world, tested positively for marijuana during the Grand Prix at Bournemouth in October.

He was one of three players yesterday punished by the World Professional Billiards and Snooker Association's disciplinary committee in Bristol.

Stephen Onnerod, the world No 308, was fined £800, with £200 costs, after traces of marijuana and Nor-andosterone

were discovered in his system. Peter Gilchrist, a former world and UK billiards champion, was fined £100, with costs of £150. His offence was to use a cold cure that contained the banned substance pseudoephedrine. The tests on both were taken at the Benson and Hedges Championship at Malvern in October.

It is the second time that Hunter has appeared before a disciplinary tribunal. In January 1996 he was fined £2,500, with £2,000 suspended for a year, for bringing the game into disrepute. He has failed to qualify for the Embassy World Championship, which starts in Sheffield on Saturday.

The biggest fine issued in the sport is Ronnie O'Sullivan's £20,000 punishment for assaulting an official during the 1996 World Championship.

Badly-needed funding and next season's fixture structure are other key issues worrying the clubs, whose grave concerns led to yesterday's meeting between Jones, the WRU chairman, Glamorgan Griffiths, and the

Leading Welsh clubs suspend strike action after Union talks

Rugby Union

THE leading Welsh clubs last night scrapped threatened strike action that could have halted Saturday's Premier Division programme. Urgent talks between leading Welsh Rugby Union officials and clubs' representative, Eddie Jones, averted the ultimate sanction being taken.

The Premier Division teams are incensed at being asked to sign new 10-year WRU loyalty agreements, believing that their names might not be put forward for next season's European competitions if they do not.

Badly-needed funding and next season's fixture structure are other key issues worrying the clubs, whose grave concerns led to yesterday's meeting between Jones, the WRU chairman, Glamorgan Griffiths, and the

secretary, Dennis Gethin. Seven of the eight Premier Division clubs made 10-year loyalty pledges last year, but the WRU now requires new updated versions to be signed.

Meanwhile, the national side could be denied the services of three key players for their summer tour to South Africa. Wales' record points scorer, Neil Jenkins, Scott Gibbs and the full-back prospect, Kevin Morgan might all miss the proposed five-match trip through injury.

Jenkins needs an operation to remove a plate from the arm he fractured against England last season, while his Pontypridd colleague, Morgan, is considering surgery for persistent shoulder problems. Gibbs has neck and shoulder trouble, putting the Swansea centre's chances in doubt.

Dark days for the bookie who paid out on United

ALEX FERGUSON and the red half of Manchester are not the only ones monitoring Arsenal's late march on the Premiership title with an eye on the bank balance.

Red-faced and out of pocket could be Fred Done, a local bookmaker, who is clinging to the hope that United will retain the championship to spare him the embarrassment of having to

pay out on the race for a second time.

Done, the proprietor of 115 shops throughout the North and in Wales, made headlines when he announced that punters who had backed United for the title could collect their winnings two months before the end of the season.

Such apparent generosity did not, at the time, seem too

misplaced as United were runaway leaders and Done's pay-out of around £50,000 was all good publicity, thank you very much.

Then came Arsenal's late surge for the title and should the north Londoners maintain their momentum – they were 4-1 winners at Blackburn on Easter Monday – and pip United for the championship, Done could be done and dust-

ed to the tune of another £200,000.

Yesterday Done was putting on a brave, not red, face, however. "I'm sure Fergie's not waving any white flags yet and while there's games still to be played there's still hope," he said.

"We've had to start betting on the championship again and we're now going 1-3 Arsenal to

win it and 9-4 United. But anything can happen, as you've seen with Arsenal recently."

But Done did concede that dipping into his pocket again would affect his holiday plans. "This year I'm going to Bournemouth rather than the Bahamas," he told BBC Radio 5 Live.

Arsenal's renaissance, page 26